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THE ROYAL INSTITUTE OF INTERNATIONAL AFFAIRS

## CHATHAM HOUSE NOTES

### *KING GEORGE'S JUBILEE TRUST*

THE Council are of the opinion that Chatham House, as a Royal Institute, should be associated with King George's Jubilee Trust, the Fund which our Visitor, H.R.H. the Prince of Wales, has initiated.

They have therefore decided to make a donation of One Hundred Guineas to the Fund on behalf of the Royal Institute of International Affairs, this donation being met, not from the funds of the Institute, but from individual contributions from the Councillors and any members who may wish to contribute. Those members who wish to be associated with this gift are therefore invited to send their donations to Sir John Power, the Honorary Treasurer, at Chatham House. Cheques should be made payable to "The Royal Institute of International Affairs."

### *INTERNATIONAL STUDIES CONFERENCE*

#### *Eighth Session*

THE membership of the British Group which will take part in the discussions on "Collective Security" at the Eighth Session of the International Studies Conference is as follows :—

The Right Hon. the Earl of Lytton, K.G., G.C.S.I., G.C.I.E. (*leader*).

Air-Commodore J. A. Chamier, C.B., C.M.G., O.B.E., D.S.O.

Hugh Dalton, D.Sc.(Econ.), M.A.

B. H. Liddell Hart, F.R.Hist.S.

H. Lauterpacht, LL.D.

The Most Hon. the Marquess of Lothian, C.H.

A. D. McNair, LL.D., C.B.E.

C. A. W. Manning, M.A., B.C.L.

David Mitrany, Ph.D., D.Sc.

Rear-Admiral H. G. Thursfield, R.N. (*retd.*).

Arnold J. Toynbee, Hon. D.Litt.

Charles K. Webster, M.A., Litt.D., F.B.A.

The following have been appointed to represent the British Co-ordinating Committee for International Studies at the Administrative Meeting of the Conference, which will consider questions relating to methods of collaboration between institutions for the study and teaching of international affairs in different countries and the future work of the Conference :

Iverson S. Macadam, O.B.E.

Charles K. Webster, M.A., Litt.D., F.B.A.

The Conference is convened by the International Institute of Intellectual Co-operation of the League of Nations and will meet at Chatham House during the week of June 3rd-8th, 1935.

As announced in the last issue of these *Notes*, there will be no meetings of the Institute during that week, but the Library and the services of the Information Department will be available to members as usual.

## *STUDY GROUPS*

THE work of the Study Group on SANCTIONS is proceeding steadily and a very satisfactory response has been received from the Outer Group, to whom Part I of the Report was submitted. Regular meetings of the Group have been held since January to discuss the technical and political obstacles to Sanctions, which will form the subject of Part II of the Report.

At a meeting held on March 11th, the Group studying UNEMPLOYMENT approved of the proposal that the material before them, which represented the work of the Group to date and covered the ground with which it had decided to deal in the Report, should now be sub-edited with a view to its submission to the Publications Committee and the Oxford University Press. This editorial work is now finished, and the material has been sent to the printer.

The preliminary work in connection with the political and economic survey of SOUTH AMERICA has been completed and consideration is being given to the formation of a Group.

In connection with the study of the CONTENTS OF STATE-AUTHORISED HISTORY TEXT-BOOKS, material continues to come in from members and others who are translating and reporting on the text-books. The Group Secretary is arranging this material into the form of a draft which can be submitted to a Group.

The work of the INTERNATIONAL INVESTMENT Group is taking the form of the preparation of material for a first draft of a Survey of International Investment. Up till Easter seven meetings of the Group have been held, while fourteen papers have been produced by members of the Group and by the Study Groups Department. At present the Group is concentrating on the immediate problems affecting international investment, and is carrying on discussions at which it will have the assistance of experts from outside the Group.

Preliminary work is being carried out for the purpose of a study of IMPERIAL PROBLEMS.

## *FORTHCOMING PUBLICATIONS*

THE following books are in the press and will be published shortly by the Oxford University Press under the auspices of the Institute :

THE ATLANTIC AND SLAVERY. By the Hon. Hugh Wyndham.

The second volume in the series, "Problems of Imperial Trusteeship." To be published on May 9th, 1935, at 12s. 6d.; to members of the Institute 9s.



EASTERN INDUSTRIALISATION AND ITS EFFECT ON THE WEST,  
with special reference to Great Britain and Japan By  
G. E. Hubbard, assisted by Denzil Baring.

A comparative study of industrial development in Japan, China,  
and India, and an estimate of its effect in Great Britain. It will  
be the principal contribution from Chatham House to the 1936  
Conference of the Institute of Pacific Relations.

GERMANY'S FOREIGN INDEBTEDNESS. By Dr. C. R. S. Harris,  
with the assistance of the Information Department of  
Chatham House.

Published price 4s. 6d.; to members of the Institute 3s. 6d.

DOCUMENTS ON INTERNATIONAL AFFAIRS, 1934. Edited by  
John W. Wheeler-Bennett, assisted by Stephen Heard.

UNEMPLOYMENT AS AN INTERNATIONAL PROBLEM. A Report  
by a Group of Members of Chatham House.

### DR. TOYNBEE'S "STUDY OF HISTORY"

A SECOND and revised edition of the first three volumes of *A Study of History*, by Dr. Arnold Toynbee, will be published about the end of May, 1935. The three volumes will not be available separately and may be purchased only in complete sets of three.

Of the first edition, Volume I is now out of print. A limited number of copies of Volumes II and III can still be supplied. Members wishing to complete their sets are advised to make application as soon as possible.

### BINDING CASES FOR "INTERNATIONAL AFFAIRS"

BINDING cases for the 1934 and previous volumes of the Journal of the Institute, *International Affairs*, can be supplied at 1s. 9d. each (post free). Arrangements for the binding of volumes will be made at Chatham House for an inclusive charge of 5s.

Members who wish the Institute to arrange for the binding of their volumes should send the necessary parts to the Secretary.

### THE LIBRARY

THE Council acknowledges with many thanks gifts to the Library from the following members :—

The Viscount Astor, Miss Muriel Currey, Miss M. E. Durham, Miss K. C. Greene, Miss Agnes Hicks, J. A. Hobson, G. E. Hubbard, Ivion S. Macadam, C. A. Macartney, Lord Meston, Miss Elizabeth Monroe, Ian F. D. Morrow, F. G. Pratt, Sir John Pratt, Major-General H. Rowan-Robinson, the Hon. Hugh Wyndham, Sir Frederick Whyte.

## NEW MEMBERS OF CHATHAM HOUSE

THE following members have been elected since the publication of the March issue of *Chatham House Notes*.

*The Council wish particularly to impress on members that this list is strictly confidential and should not be used for circularisation purposes. They would be grateful for the co-operation of individual members in ensuring against any misuse of the list.*

Clarkson, G. Elliott, 48 St. John's Wood Park, N.W. 8.

Garran, I. P., London House, Caroline Place, Mecklenburgh Square, W.C. 1.

Huntingfield, The Lady, Government House, Melbourne, Victoria, Australia.

Napier, G. H. C., R.A., R.A.S.C. Headquarters Mess, Aldershot.

Plowden, E. N., 42 Shawfield Street, S.W. 3.

Ridgway, W. R. P., The College, Winchester.

Shaw-Hamilton, Lieut.-Commander J. D., H.M.S. *York*, c/o G.P.O., London.

Wansborough, George, G.P.O. Box 506, 24 Old Broad Street, E.C. 2.

## OBITUARY

THE Council regrets to record the deaths of the following members:—Brig.-General C. D. Bruce, Mr. Frank Gray, Professor A. Pearce Higgins, Mr. Macrae Moir, Hon. Bernard Rollo and Sir Arthur Steel-Maitland.

## MEETINGS AT CHATHAM HOUSE

Meetings held during the period 5th March to 9th April, 1935.

*General Meetings are shown in heavy type.*

Date.	Principal Speaker.	Subject.
5.3.1935.	<b>The Most Hon. the Marquess of Lothian, C.H.</b>	<b>The Basis for a Permanent Settlement in Europe.</b>
7.3.1935.	Professor Norman Bentwich, O.B.E., M.C.	Palestine's Progress and Problems.
12.3.1935.	<b>Mr. H. Wickham Steed.</b>	<b>Europe in the New Year.</b>
13.3.1935.	Rt. Rev Mgr Léon Noël.	A Philosopher's View of International Relations.
19.3.1935.	<b>Commendatore Luigi Villari.</b>	<b>Italian Foreign Policy.</b>
21.3.1935.	Dr. T. F. Tsiang.	The Present Situation in China: a Critical Analysis.
26.3.1935.	<b>Dr. Milan Hodža.</b>	<b>The Future of Central Europe.</b>
28.3.1935.	Mr. H. Foster-Anderson.	The Racial Element in German National-Socialist Thought.
1.4.1935.	Dr. Rowland Hegedus.	Economic Problems and Prospects in Hungary and the Danubian States.
4.4.1935.	Mr. A. D. Home.	Abyssinia.
9.4.1935.	<b>The Hon. R. G. Menzies, K.C., M.P.</b>	<b>Australia's Place in the Empire.</b>

# INTERNATIONAL AFFAIRS

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*The Royal Institute of International Affairs is an unofficial and non-political body, founded in 1920 to encourage and facilitate the scientific study of international questions.*

*The Institute, as such, is precluded by its rules from expressing an opinion on any aspect of international affairs. Any opinions expressed in the papers, discussions, or reviews printed in this Journal are, therefore, purely individual.*

## CONTRIBUTORS TO THIS ISSUE

SIR FREDERICK WHYTE was one of the founders of *The New Europe*, and joint editor; Member of Parliament (Liberal) Perth City, 1910-1918; President of the Legislative Assembly in India, 1920-1925; Political Adviser to the National Government of China, 1929-1932.

COMMENDATORE LUIGI VILLARI is an official in the Royal Italian Foreign Office.

SIR JOHN FISCHER WILLIAMS was Assistant Legal Adviser at the Home Office, 1918-1920; British Legal Representative on the Reparation Commission under the Treaty of Versailles, 1920-1930. He is an Associate of the Institute of International Law.

PROFESSOR NORMAN BENTWICH is Director of the High Commission for Refugees from Germany; Professor of International Relations at Jerusalem University. He was formerly Attorney-General, Government of Palestine; and at the Ministry of Justice, Cairo.

W. A. MACKINTOSH is Professor of Economics at Queen's University, Kingston, Canada.

# INTERNATIONAL AFFAIRS

MAY-JUNE, 1935

## THE FAR EAST IN 1935

By SIR FREDERICK WHYTE, K.C.S.I.

THE key to the situation in the Far East to-day is to be found in the reaction of the East Asiatic peoples away from those Western ideals that they were led to believe contained the secret of power and success in the modern world. No matter where you go throughout the whole of the East, perhaps less in British India than in China or Japan, you will find this reaction in progress. Reaction implies in our minds as a rule a sort of moral deterioration, but I do not use the term in that sense, for both in China and Japan the phenomena we are witnessing to-day are largely a recoil from alien influences towards the indigenous sources of their own civilisation. Whether we consider it in terms of the internal and external situation of Japan, or of the problems of China to-day, we shall find that it operates widely through both countries.

I need not describe how it is that in China, after twenty-four years of revolution, many are beginning to understand that revolution for them spells, not propaganda and disturbance, but the attempt to recreate on native foundations an ancient society in a new form. In Japan, of course, the factors at work are very different, but the result is the same. It was borne in on me more and more during a recent visit to Japan that the Japanese had been brought up against a problem which their forefathers had never anticipated. It may seem strange to say that the one thing which is disturbing the Japanese mind to-day is the factor of change, since the makers of new Japan deliberately went out to change the old Japan. She was a frog in the well, and they took her out of the well, and brought her into relation with the modern world. What they did not realise was that, when they had taken her out of the well, she would be so dazzled by the sights around her, and so confused by the sounds around

<sup>1</sup> An address given at Chatham House on February 5th, 1935, with Lieut.-General Sir George Macdonogh, G.C.B., K.C.B., K.C.M.G., in the Chair.

her, that she might behave in unexpected ways under these new stimuli. In a word, the new Japan has now profound and disquieting problems which were not foreseen by her creators.

Let me try, as an introduction, to give a diagnosis of Japan to-day. No one can go about the country without realising the extraordinary vitality that pervades the whole people. I have not had an opportunity to go through those countries of Europe which are going through a transformation. I do not know of the transformations which are going on in Fascist Italy or Nazi Germany, but no one travelling in Japan can fail to be impressed by an abounding vitality, a tremendous force, not always susceptible to wise guidance, but nevertheless driving the Japanese onwards. In Japan to-day one gets a very sharp impression of a people drawn like a taut wire; and, although economists describe the situation in terms of agricultural depression and distress and the poverty in which the rice and silk grower lives to-day, under it all is this tremendous tension. And while we may legitimately interpret the Manchurian adventure as one expression of a nation seeking expression in the foreign field, it is only one step in a process of which we have seen only the beginning.

Japan now describes what we call the Far East in terms of East Asia. In Nanking and Tokyo, the Far East is the United States of America, and Europe is the Far West; and they have quite deliberately used the term "East Asia" in order to make the rest of the world realise that the Far East is an area which has problems, ideals and policies of its own. In particular, we must appreciate that this is an area which is living by its own lights, and that in it there is only one Power for the time being, and that is Japan. She is disciplined at home, and possesses commercial and military power for operations abroad, and a General Staff eager to make its will felt, within certain limitations no doubt, over the whole of that area.

The Japanese problem can be stated, broadly speaking, in two terms. If Japan is to carry out the policy which is described in very moderate terms by Mr. Hirota, and which has been set before us in much more extravagant terms by her soldiers and political journalists, she must be able to guarantee for herself a certain freedom of action on at least one of her fronts. We have been accustomed to approach every problem in the Far East by the maritime approach. The problem of the maritime aspect of the Far East predominated through the greater part of the nineteenth century, but I agree with Mr. Owen Lattimore that it

is a fair prediction that the factor that is going to predominate in future is not the maritime approach but the continental approach.

Now if Japan is to be able to deal with the problem implicit in the continental approach, questions at once arise with regard to China and Mongolia, and the relations between Japan and Russia and Manchuria. She must be secure on her maritime rear, and, for the time being, the Japanese people think that they have secured their maritime rear. The situation to-day is different from that with which Japan was confronted at the time of the Washington Conference in 1922, because the Powers which present to Japan her maritime front no longer operate on a common front as they did in that year. That is to say, of the three factors operating in the Far East, or which might operate in the Far East, the Japanese are satisfied, for the time being, that the Anglo-American factor is in a negative condition, and that she can disregard it. There are indeed a good many Japanese, particularly among the more air-minded members of the General Staff, who are apprehensive that the maritime rear on the Pacific may be threatened by the new air arm. None the less, the continental approach is felt to be of supreme importance.

The continental problem with which Japan is concerned is predominantly Russia, and, in a secondary degree, China. The justification for the establishment of the State of Manchukuo, setting aside the propagandist smoke screen which Japanese journalists and leaders have set up for the Western World, is that the Japanese General Staff believe that the whole territorial area of north-eastern Asia occupies, in relation to the defence of Japanese interests in 1935, the place that the Peninsula of Korea occupied in 1905. That means that in terms of the development of communications, in terms of the greatly extended power of armies and the whole paraphernalia of modern war, the Japanese General Staff place the Japanese frontier, not at Antung, but on the border of Mongolia. I do not agree altogether that Mongolia holds the key to the destiny of the Far East, but inasmuch as Mongolia represents a more or less disputed no-man's-land between Russia and Japan it will have a very important influence.

Some people may be a little surprised that in describing this situation I have set on one side the Anglo-American factor and the whole factor of the League of Nations. Let me deal with the position as it appears to the average man in the Far East. Whatever we may think about the future of the League of Nations

as an instrument in Europe, and I myself believe its future is a good deal brighter than its critics believe, the League cannot be a factor in the Far East until it has proved its merit in the European field. I do not mean to say that in the immediate years to come it may not carry out very important functions in assisting Chinese governments in financial and economic matters, but, as a political factor in the Far East, for the time being its influence is very slight.

The Chinese are now presented with a peculiar problem for the first time since China came into effective contact with the nations of the outside world, whether East or West. The traditional Chinese diplomacy of playing off one Power against another is no longer much use to them. From China's point of view up to the present moment there have really been only three factors in their situation—(1) Russia, (2) Japan and (3) Great Britain and the United States, and particularly the United States. To-day every Chinese knows that the one factor which is prominently in the foreground is the factor of Japan. The Anglo-American factor is in the distant background, and no one can say how soon the Russian factor will return to the Far Eastern situation in an effective form.

Let me add this in parenthesis, that none of my more realistic Chinese friends blamed Great Britain, the United States or the League of Nations for not having saved Manchuria. I have heard very prominent Chinese say that, if they had been in the position in which Great Britain was from 1930 onwards, with her European responsibilities and her internal problem of economic depression as well, they would not have acted very differently themselves. I do not think that this absolves the British Government from criticism, but I have put this forward to show you how responsible Chinese explain to others the position in which they now stand.

With regard to the main situation in China it is essential to realise that, in spite of the fact that in terms of power the Chinese do not contribute anything decisive, they do contribute enough to make it worth while for Japan to see whether she can guarantee her continental front by establishing relations with the Chinese Government, which will prevent China from sliding over to the Russian side.

The Chinese situation politically during my last visit in the summer of 1934 was better, less liable to disturbance from civil war, from conflict between one unit and another, than it had



been for many years past. There was a greater degree of unity throughout the country.

But when we think of unity in Chinese terms we must get rid of ideas such as the unification of Germany in the nineteenth century or of the process by which modern Italy achieved unification. We must indeed get rid of European conceptions before we can understand the Chinese situation at all. Perforce, we use European terms, with a European or American connotation, when we describe any situation, but these very terms are apt to mislead us to wrong conclusions.

Let me further illustrate this point by taking another term—patriotism. The commonest criticism made against the Chinese is that they are unpatriotic. Of course they are—if we think of patriotism *in our terms*. Fundamentally, patriotism means the attachment of the individual to the country which gave him birth. That is true of the Chinese. But when we pass on from that natural foundation of our patriotism to an attempt to translate it into political action, we can only think of patriotism as the united action of a people, led by an organised government. There is no such thing in China, and I doubt very much whether there ever has been. But, from the point of view of real patriotism, the Chinese can hold up their heads before us. Their attitude to government has always been entirely different from ours. The invasion of the life of the individual by the action of government, through all its varied functions, in a country like Great Britain, is accepted by us. Much as we dislike the functions of the income tax collector, we welcome them as a whole because they represent an essential condition of our life and liberty. But it is different in China. The Chinese look upon government as an enemy to be kept in its proper place, and so, many of the problems and activities which we resolve naturally by legislation, by administration, by action in the law courts, the Chinese deliberately remove from the action of government and try to settle among themselves. In that sense the Chinese have, socially, always been a very remarkable people, capable, in their own sense, of self-government. Patriotism is, in fact, a very real thing in China, provided we do not judge it in British terms; and the major problem with which the Chinese are confronted is the attempt, not so much actually to create a State, for the government of the Chinese people and capable of meeting the other nations of the world on equal terms, but to create that attitude in the Chinese mind towards the State which is more or less second nature to us.

From the point of view of many students of the Chinese problem, then, unification seems impossible because they judge it in terms of European history. In fact, unification is making very rapid progress in China to-day, not in the sense of what we call the Government of China, *i.e.* the group of politicians which calls itself the Nanking Government, but in the sense that there is growing steadily in the Chinese mind a sense of unification. I had the good fortune to spend a day with General Chiang Kai-shek at his training camp for staff officers at Hai Mei Ssu, which provides an illustration of this development. The camp was nominally established to carry forward the military and strategic training that the officers had already gone through, like any other officers' training corps; it was really designed to instil into their minds the fact that there is such a thing as China, and that if they were to understand the problems with which China was confronted they had to think of China as one body to which all parts belonged. This educational process was what the Americans would call "uplift." The General was bent on teaching them that nationalism represented a definite purpose and a definite problem for every individual Chinese. Many of General Chiang Kai-shek's critics say that the camp was established for the purpose of bringing officers in the various provincial armies into direct contact with himself, so that he might have a large body of *personal* followers in all the armies of China. That is perfectly true, and, if he succeeded, I do not quarrel with him. But he is doing something more. By the character of the instruction given in the camp he is instilling into the minds of those officers something which goes beyond the family idea, beyond the provincial claim; and they will go back, a good many of them probably, with a conception in their minds of "China," which they have never had before.

That is a process of unification working from the centre outwards. But it could not have been begun unless the units along the periphery had consented to send representative soldiers from their various units to the centre itself. When we were at the camp there were officers training from practically every military unit in China, though of course the main body were drawn from the various provincial armies of the Yangtze Valley, which were under the direct control of the General. But most striking of all was the fact that, although in 1933 none of the armies in the south and south-west would send their men to that camp, in the summer of 1934 there were 160 officers drawn from the armies of Kwangtung and Kwangsi, sent there for the first time to take

part in the general purposes of the camp, which shows that, no matter what may be said, there was a steady process of unification going on. And, as has been seen in recent times, the process of finding a settlement of the various differences between Canton and Nanking has almost reached a conclusion. I may seem to take an optimistic view, and so I do, but it is an optimism based on fact.

The fundamental difficulty in China is economic and in the last year and a half it has been worse than ever before. The forces that brought about the world-wide depression in other countries only reached China in 1932, and they reached their maximum intensity in 1934. So while there are reasons for believing that the political situation has improved, economically the situation has grown very much worse, with the result that the financial and economic power of the Nanking Government, which was never very great, had reached a dangerous point by the end of 1934. I need not describe to you the various factors contributing to that danger, the various internal conditions in China of economic and social and political disturbances which have wrecked the economic life of the country for many years and threatened good financial and economic stability. But the situation as confronted to-day by the Nanking Government, regarded in its economic and financial aspects, has grown very serious indeed. The Finance Minister in the early part of 1934 claimed, and with some justification, that, compared with his predecessor, he had not had to resort to such large borrowings from the Shanghai market, but in point of fact accumulations of one kind and another in 1934 have added very largely to the total of their indebtedness. They were saved, for the time being, by the enormous concentration of wealth in Shanghai seeking opportunity for investment. But it was the fact that trade was falling off that led to a concentration of wealth being drawn to Shanghai, partly to find security and partly also, since Shanghai had been the greatest of the commercial centres of China, that it might possibly find opportunity for investment. And so, from that accumulation of wealth, the Government has hitherto been able to borrow with comparative ease. But as 1934 went on the situation became worse, and the drain of silver abroad, which set in during that year, caused very serious apprehension, first in the minds of Chinese bankers and then in the minds of the administration, that a time would come when there would be no money to borrow from anywhere.

Owing to the operation of these factors China had become

a substantial exporter of silver, whereas in previous years they had been substantially importers of silver. The balance on the wrong side of Chinese trade is not so serious as it was in 1934, but the problem still remains, and until China is able to sell vastly greater quantities abroad than she sells now, or until there is a revival of trade in other parts of the world, the Chinese will be confronted with such a heavy adverse trade balance that they will be bound to go on exporting silver. This process threatens the basis of Chinese currency; and I believe that we are on the eve of a crisis which will compel the interested Powers to concert measures with the Chinese Government for the protection of the Chinese dollar. Exactly how this project could be set on foot I shall not here say; but I believe that the urgency of the matter will drive Great Britain and the United States into consultation, and that when *all* the facts of the case are studied, Japan will find that she cannot maintain her confident exclusion of other Powers from active and benevolent participation in Chinese affairs.

This brings me to the problem of Sino-Japanese relations. I suggested above that the Chinese were confronted in the international world, for almost the first time, with the problem that they could no longer play off one Power against another. In the last resort they are thrown back on their relations with Japan, and the activities that have been taking place in Nanking, and particularly those for which General Chiang Kai-shek is responsible during the past six or eight months, have been interpreted by many people as evidence that the General is pro-Japanese. They say that he had his foreign education, such as it was, in Japan: that he amended the customs tariff last year in order to give certain concessions to Japan: that it is due to him that there are officers from Japan in Kiangnan dockyard to teach the Chinese how to build ships. In the terms of the ordinary propagandist statement of the case it looks as if he were "selling the pass" to Japan.

What are the real facts with which the General is confronted? It would have been easy for him to say "We will dare Japan to do her worst," but each time he put up a determined front he would have played into the hands of Japan's military party and they would have established far greater control over various parts of China than they have been able to do.

The essence of General Chiang Kai-shek's policy is, granted the limitations of his resources in financial and military strength,

to preserve as much as possible of the ancient territorial heritage of the Chinese people without having to give away too much. I am convinced that General Chiang Kai-shek is not in his heart pro-Japanese, that he is not in the market in the sense of being bought by political concessions or by money. There is no more patriotic Chinese than he is. But he is also realistic, and feels that his principal problem is to maintain the old heritage of China and prevent it from being eaten away by the encroachments of Japan. He feels that if he can only hold on, giving away the non-essentials, gradually the international situation will change, and the time will come when the old situation will be restored, and he will find that there is a rival to Japan which is able to put up forces which he cannot put up.

He is not confronted with a very powerful political movement in his own country (the National Party is not strong); nevertheless, he would have to deal with a very determined and restive condition of Chinese popular opinion if it appeared that at any point he was giving away too much to Japan. But on the whole the substantial element of Chinese popular opinion is inclined to support General Chiang Kai-shek, on the ground that it is convinced, as he is, that time is with China, and that if they can hold on long enough the balance will be restored. A secondary reason for their support is that *they* believe that he is carrying out his policy with that motive and that he is not prepared to "sell the pass."

I can only deal with the remaining factors of the situation in the Far East in very general terms. The Russo-Japanese conflict ebbs and flows, now becoming threatening and now subsiding. The sale of the Chinese Eastern Railway has removed one disturbing factor; but the tension remains, and without making confident predictions of peace or lurid prophecies of war, we must take account of the factors on both sides which determine the long-range policy of Russia and Japan. On them I can only offer a few comments. Russia is not ready for war. I discussed the situation with a prominent Russian authority, and it was quite clear that the one thing they wanted to avoid was being put into a position by Japan where they would have to turn and fight. They hope and believe that they will be able to put off the eventual attack by Japan by what they regard as harmless concessions. Yet it can be seen in the attitude taken by the Government in Moscow to-day, in the estimate by various responsible authorities, particularly the military authorities, that

they feel that the conflict with Japan may be nearer than I am inclined to think it is. Some authorities put it as near as next June; and, in the reported secret conference of the Japanese General Staff in Manchuria, there may be some ground for that fear. At all events one can say of the Russians that they are not ready to-day for a major conflict, and will do nothing immediately to provoke it.

What is the situation on the Japanese side? Russian unreadiness would appear to be an invitation to Japan to fight before Russia is prepared. But Japan herself is not prepared. Not only is she confronted with very serious problems within Manchuria itself, but she has to complete the process of modernising and reforming the whole of her military machine, which will take possibly more than another year to achieve. But that the situation created by the Japanese in Manchukuo itself may possibly lead to real conflict in the future between Russia and Japan is too obvious to need restating. The Japanese are at pains to say that in Manchukuo they have done something very different from what they did in Korea, and that they will never make Manchukuo part of the Japanese Empire. But this does not dispose of the fact that the moment they created Manchukuo they inevitably raised the problem of its relation to Mongolia on the west and China on the south. The problem of the frontiers of Manchukuo is the problem of its relation to north China and, through Mongolia, to Russia. That does not seem of great import at the present moment. The enormous expanse of the Gobi Desert seems to suggest that there is a belt of territory interposed by Nature herself between Russia and Japan. But if you follow the line along which Japanese policy must travel westwards, you will find that the time is not far distant when the destiny of Mongolia must be settled.

While Outer Mongolia has been steadily Sovietised, increasing pressure has been brought on Inner Mongolia, and on the traditional Mongolian economy, by the inevitable approach of the Chinese peasant across the Wall from the south-east. Since the railway crossed the Wall at Nankou, the effective region of the Mongolian pastoral occupation has been driven back a hundred miles in the last twenty-five years.

The Japanese believe that, by establishing the State of Manchukuo, they have created a situation whereby the traditional Mongolian economy can be maintained and support given to Mongolia. But they are faced with the problem that the requirements of the defence of Manchukuo imply further building of

railways, and wherever a railway has been built the Mongolian economy has been doomed, for the Chinese peasant begins to spread and, as he spreads, he takes hold of the land. The Japanese are up against that contradiction in their own policy. If they build railways westwards the inevitable result will be that these railways will gradually lead to the spreading of an agricultural economy as opposed to the pastoral economy of the Mongols, and they will thus be led on further and further until they come to the point at which they must conflict with Russia.

But the conflict in Mongolia is likely to happen before Russia and Japan actually come to blows. The Soviet Republic in the north and north-west of Mongolia will, either under Russian pressure or on their own account, come up against the Mongolians, who are beginning to rely on Japanese support in Mongolia itself.

The problem is one of extraordinary complication, and if Japan is to contribute a solution of the question, without resorting to war, she has somehow to delimit the area within which Chinese peasant penetration will be allowed to proceed. Otherwise, she will find that the Mongolian economy will be ground between the upper millstone of Soviet Russia and the nether millstone of the Chinese factor from the south-east.

This then is the picture of the Far East in 1935. Japan, believing that she has secured her maritime rear, thinks that she has enabled herself to pursue her mission in East Asia without regarding the influence of Anglo-American policy, and she believes that she can confront the future, whatever it may hold for her in China or in Russia, with equanimity. This is probably an over-confident view, and one could trace a certain uneasiness in Japan amongst those who look ahead. But it is the thesis which to-day holds the field.

The Chinese situation to-day presents us, as citizens of Great Britain, with a peculiarly difficult problem which can be stated in quite different terms from those in which it has been stated in recent years. The problem confronting the British Legation in previous years was one of defending the lives and property of British subjects trading in China. To-day it is much more complicated. It is no longer a question of protecting property and lives against violence, but of protecting interests against the much more dangerous attack of legislation, taxation, administration and discrimination. The British and American Governments have lost the position which they enjoyed in 1922. It is going to be much more difficult to defend our interests in the

Far East than it has hitherto been. But I do not believe it is too late.

Both from the point of view of the assistance which we may possibly give to China in her task of reconstruction, and also from the point of view of the national interests of Britain and the United States, the contribution which we can make to the development of the Far Eastern question, during the next ten or fifteen years, is to see if we can re-establish the collective responsibility for peace and progress rather than a *Pax Japonica* resting on Japanese power alone. I believe that the Japanese may gradually come round to such a frame of mind that they will not be unresponsive to an appeal of this kind. If there is one factor in Japan which is working below the vitality and sense of energy, it is that her more far-sighted leaders realise that her recent policy has placed her in a position of dangerous isolation. The isolationist mood is still strong; but it is being tempered by experience. If Japan were quite sure that Great Britain and the United States were ready to approach the problem of stabilising the Far East in a spirit which showed that they appreciated the true nature of Japan's own problems, the readiness to co-operate with us might begin to appear. And, in the immediate future, we may find that the present predicament of China will provide the first opening.

#### *Summary of Discussion.*

LORD ADDINGTON said that he thought that the solution of the problems of the Far East depended very largely on the Japanese and the Chinese themselves. He asked if there were any bodies working in China and Japan, possibly unofficially, which were endeavouring to think out those problems, not solely in their own interests but partly in the light of the other party, and if there was anything that could be done to help these possibly unofficial bodies to get a fuller light on their problems.

Could Sir Frederick give any idea of the most helpful attitude towards the problem of the recognition of Manchukuo which seemed likely to arise in political circles in the not far distant future?

SIR FREDERICK WHYTE said, in reply to the first question, that comparatively small bodies in some of the Chinese Universities and in the Chinese and Japanese Councils of the Institute of Pacific Relations could be said to be concerned with problems in the mutual relations of the two countries; but now both Governments were actively engaged on them.

He did not think that the recognition of Manchukuo was a burning question to-day. He had not found anyone in Japan who was much



interested in it. In his view there were three Governments in the world which could not afford to recognise Manchukuo—the Chinese, the British and the American.

SIR FRANCIS LINDLEY said that the impression of vitality which Sir Frederick had received during his visit to Japan was not only what most struck visitors to that country but was the most important factor in the whole situation.

He entirely agreed with Sir Frederick regarding Mongolia and the Manchurian question, and the only point he would like to criticise in the address was the final conclusion. He thought that Anglo-American co-operation in the Far East was a threat of the greatest danger to British interests, unless the preliminary negotiations were carried on with the greatest skill and brought to a completely successful conclusion. As far as he knew there had never been any real Anglo-American co-operation in the Far East, but there had been a great deal of rivalry and divergence of policy. Thus after the Russo-Japanese War the Americans had desired the internationalisation of the railways in Manchuria, but Sir Edward Grey had refused to go into that field at all. Since that time, except for the Washington Conference, which covered a much wider field, he did not know of any successful co-operation. That did not mean that it was impossible, but he thought that unless there was a hard-and-fast military alliance concluded between the United States and Great Britain to present a common front to Japan, Great Britain would be risking important interests with the probability of having to "carry the baby." He did not think there was much chance of the United States entering into a hard-and-fast military alliance even if His Majesty's Government contemplated doing so.

LIEUT.-COLONEL MALONE urged, later in the discussion, against any Anglo-American combination as being bound to result in a conflict with the Far Eastern peoples; BRIGADIER PIGGOTT also supported this view.

LIEUT.-COLONEL SMALLWOOD said that he had been across the Gobi Desert to the capital of Mongolia and had seen Mongolia completely under Chinese control, and, more recently, completely under Russian control. In his view before Mongolia became really important in the Far East the Mongolians would have to develop a national sense. At present in Mongolia there were 3,000,000 Mongolians and a number of Mongolians who were Manchurian subjects, and, until they got together and became united into one race, he did not believe there was any risk of Mongolia forming a danger spot in the Far East. He thought that Sir Frederick had gone a little further than Mr. Lattimore had gone in his book *The Mongols of Manchuria*.<sup>1</sup> His general impression was that there were potentialities of danger, but not any immediate trouble.

Could Sir Frederick throw any light on the immediate financial

<sup>1</sup> Lattimore (Owen): *The Mongols of Manchuria*. 1934. (New York: John Day Co.; London: Allen and Unwin. 8vo. 311 pp. \$2.50, 8s. 6d.)

situation in China? In his opinion everything in that country hinged on finance.

SIR FREDERICK WHYTE said that he had intended to convey his impression that the financial condition of China was more serious than it had been hitherto as the result of the deterioration of the general economic situation of China. The Nanking Government in the course of 1935 would probably find it more difficult to finance its comparatively moderate requirements than hitherto and probably it would be assisted by Japan; but he did not believe that Japan could possibly offer anything more than a temporary palliative from her own resources.

MR. J. O. P. BLAND said that, in dealing with such questions as the prospect of war between Russia and Japan, the future of Manchukuo, the possibility of this or that policy developing, speakers at Chatham House always omitted consideration of the central fact of the situation in China, and he wondered why. This was also particularly the case at Geneva. The central fact was, that in dealing with China one was dealing with primitive elements and forces which could not come into direct relation with those modern forces which surrounded it. The principal reason which prevented China achieving that place in the Far East which she should rightly occupy, which prevented her from asserting herself, arose out of her deep-rooted family system. As the result of that system, public opinion would regard it as a serious moral lapse if any Chinese, high or low, were to put his duty to the State before his duty to his family.

He instanced opium as an example of the results of this central fact and an explanation of the present condition of China. The opium question had long been discussed at Geneva, where the Chinese had always professed their desire to abolish the traffic in opium. But what was the position to-day? Mr. Fuller, the American representative at Geneva, had recently drawn attention to the steadily increasing production of opium and narcotic drugs in China, which he described as a menace to the world. The fact that the trade was protected and developed by and for Chinese officials was an example of the fact that the Chinese place family enrichment before every other consideration.

He remembered Sir Frederick saying in 1928 that he put his faith in the Cantonese Party because he believed that it represented a cause greater than itself, and was the only hope for China—and this in spite of the fact that, as a party, they had the reputation of being the most cynically self-seeking lot of politicians ever known in China. One heard less of the Cantonese and their cause nowadays. With regard to Sir Frederick Whyte's appreciation of General Chiang Kai-shek, he remembered the unpleasant results of the alleged conversion of other Chinese politicians, such as Sun Yat-sen and Feng Yu-hsiang and regarded it as a grave menace that General Chiang should have proclaimed his belief in Christianity.

He would like to draw attention to the manner in which this system, based on the superiority of the duty owed by every Chinese to his family over his duty to the State, worked out when the Chinese Government borrowed money abroad or pledged itself to do certain things or to fulfil obligations. He cited the example of the Tientsin-Pukou Railway. The railway was doing very well, well enough to pay interest, but not one penny of its large revenues ever went to the British bondholders, simply because railway officials had to see to their families first.

LORD ADDINGTON said that Mr. Bland had raised a very important question about opium, and China's relation to family life. Could Sir Frederick give them any further views about what was known as the New Life Movement? As far as one could read in the papers which came to England, the New Life Movement was having an enormous effect on the youth of China. He understood that one of the primary evils which they were fighting against in the New Life Movement was opium, and that they were endeavouring to turn Chinese from the service of the family only to the service also of the State.

SIR FREDERICK WHYTE said that he agreed with what Mr. Bland had said about the family system because he knew that the Chinese were up against their own tradition. As regards the New Life Movement, it was very difficult to measure the extent to which it had really taken hold, but the first Chinese he had had an opportunity of asking about it had said one significant thing, that in so far as it was true it was not new, and in so far as it was new it was not true, which was a very shrewd phrase, as it was a revival of the old Chinese tradition. It was spread over so wide an area that it might be called a national movement, but he thought it was none the less still superficial. But if "New Life" did become the animating force in a national movement it would have the intention, if not the effect, of achieving the reforms suggested by Lord Addington. It had not gone so far, but it represented General Chiang Kai-shek's conviction that, to deal with the problems with which China was confronted to-day, and particularly the problem of Communism in Kiangsi, you had to do more than merely to put a military cordon round an immense area.

It was quite true that there was as much if not more opium grown in China as ever before. In many places provincial governments were dependent for their revenue upon opium. But if emphasis were only laid on those factors in the Chinese character which prevented them making progress, the conclusion must be that they never would make progress. He preferred to take a less pessimistic view as there were many elements in the contrary direction.

THE CHAIRMAN, LIEUT.-GENERAL SIR GEORGE MACDONOGH, said that he would be glad if Sir Frederick would tell them a little more about the position of Communism in China, and what was likely to be the result of the attack which was being made against Communism at the

present time and whether General Chiang Kai-shek was likely to stamp it out.

There was one other remark which he thought it would be interesting if he would follow up. Sir Frederick had said that in the past the principal object of the British Government had been the protection of the lives and property of British subjects in China, but that in the future their task would be a great deal more difficult. They would have to protect British subjects against legislation, taxation and things of that kind. What did Sir Frederick think the policy of the British Government should be to-day, and how did he think the British Government could assist the British trader? It had been said on many occasions, and especially by Sir Arthur Salter, that the most satisfactory way of co-operating in China was by a combination of British and Chinese capital; was that possible, especially in view of Chinese legislation such as the Industrial Encouragement Act?

He hoped Sir Frederick would say a little more about the position of silver, which had a very important effect on trade. Did he think a low value of silver was desirable, or did he think that a gradual appreciation in the value of silver would be favourable to China, or that the main requisite was stability?

SIR FREDERICK WHYTE said that the Communist position was largely composed of two areas, namely, the area south of the Yangtze Valley in the Province of Kiangsi, and a much more indefinite area in the north on the borders of Szechwan. There were very definite signs that it was spreading westwards. But it was clear that the solution of the Communist problem could only come through economic measures and a general revival of the economic life of the country. It would need, moreover, a thorough-going agrarian reform. The Chinese would never be able to develop such a Communist State as Russia prescribed as necessary for carrying out Communism in practice.

With regard to the defence of British interests the answer was much more complicated. He knew a little about the problems which confronted the larger British companies, and of the difficulties which were placed in their way by regulations of the Government. But he thought a good deal could be done by going straight to General Chiang Kai-shek himself, and that was what he wanted the British Government to do. He thought it would be advantageous to establish personal relations with him, a task which Sir Alexander Cadogan was quite capable of performing, not for the purpose of solving an individual strike or difficulty of any particular firm trading in China, but to get into General Chiang Kai-shek's mind certain general propositions, and to let him apply them. Once it had been impressed on his mind that the policy he was pursuing in relation to a particular enterprise or industry was injuring the yield of Chinese taxation he would change that policy.

The Chinese would much rather have a stable value in silver than

any change in its price. The American policy had been adopted in complete disregard of the Chinese situation, and the attempt to force the price up rapidly was the worst possible blow that could have been dealt to their interests. He thought that the problem of China's currency would become an urgent international question during the next few weeks.

He agreed with Colonel Smallwood with relation to Mongolia. If it were a question of an independent Mongolian State backed by a self-reliant and politically consistent people it might have been possible to describe the situation in other terms. But Mongolia was a no-man's-land, not only because of its sparsely occupied territory, but because its international status was so uncertain. He suspected that the principal hostility working in the Mongolian mind to-day was hostility to the invading Chinese peasant.

## ITALIAN FOREIGN POLICY<sup>1</sup>

By COMMENDATORE LUIGI VILLARI

It has frequently been stated that Italy's foreign policy since the War has undergone many changes. This to some extent is true, particularly in the immediate post-War years. Italy is not powerful enough to shape the foreign policy of the world, or even of Europe, and she has had to adapt herself to changing circumstances. But there are certain general principles and tendencies which have guided Italian foreign policy through these changing years and have developed into a definite Italian outlook on international relations. In recent times these principles are coming to secure wider acceptance, even beyond Italy's borders, and finding more general application.

Naturally, the first consideration for any country's foreign policy is based on its physical conditions. If we look at the map of Europe we see Italy, a small country, half the size of France or Spain, bounded on the north by the Alps, on the other sides by the sea. She is a peninsula projected into the Mediterranean, which is her only seaboard, a sea which has been sometimes described as a British lake. Her soil is by no means all fertile. A large part is stony and mountainous, much of the plain area is subject to drought, floods and consequently to malaria. The sub-soil is very poor; it possesses practically no coal, no oil, very little iron. Italy is thus to a large extent dependent on foreign imports for raw materials and for some of her food-stuffs. Most of these imports come from lands beyond Gibraltar, Suez or the Bosphorus. This fact explains her need for a fleet to protect her long sea-coast—longer than that of France—and guard her essential trade routes. Italy has made valiant efforts to develop such resources as she possesses. She is draining her marshlands and converting them into tilled fields, irrigating her drought areas, intensifying agricultural production of all kinds, and has become almost self-supporting as far as wheat and some other food-stuffs are concerned. But there are limits beyond which she cannot hope to go. To-day she is conducting a vast experiment in national,

<sup>1</sup> Address given at Chatham House on March 19th, 1935, with Professor Arnold J. Toynbee in the Chair.

economic and social planning in order to make the best use of all her limited wealth and to make it go as far as is humanly possible.

The next point in Italy's foreign policy is security from invasion, which is a primary need for her as for any other country. Before the War the Alpine barrier was a secure frontier over three-quarters of its length, but to the north and north-east it was dangerously open. The Trentino formed a wedge driven into the most fertile part of the country, and Austria had converted that wedge into a vast fortress bristling with armaments and covered with a network of military roads branching out fanlike in all directions. On the Isonzo, too, all the dominant positions were held by Austria. That was one of the causes of Italy's intervention in the World War.

During the War Italy's efforts had been immense; her losses in men had been appalling (over 600,000 in killed alone, out of a total population of 35,000,000 inhabitants); and relatively to her smaller wealth her economic losses had been greater than those of her Allies. Yet at the Peace Conference that effort and those losses appear not to have been adequately appreciated by her more powerful Allies, and the greater rewards were reserved for them and their satellites, not for her. What had been promised to her on entering the War was in part given, albeit grudgingly - she had to fight for every concession *unguibus et rostris* - and in part refused. Italy got only the scraps, whereas the best went to the rich. Truly, to him who has much, more shall be given. This was no doubt partly Italy's own fault, for her representatives had not always defended her cause effectively. But it was also due to the jealousy aroused by the fact that Italy was becoming through the War a really great Power. A former diplomat of one of Italy's Allies wrote to me not long ago, in connection with a discussion on the Peace Conference: "I agree that we much resented Italy claiming to be a great Power. I still feel irritated at any such assumption." This was tantamount to admitting that he regretted that there was one more Power with whom to divide the loot. Naturally Italy resented this attitude, and felt far from satisfied at the result of the Peace Conference. That also explains why she was not at first too enthusiastic over the League of Nations. That institution, which had been created in the honest intention of its founders to establish the rule of justice on earth, seemed to Italian public opinion, on the contrary, to have been created chiefly to safeguard the *status quo*, a *status quo* which was no doubt an improvement in many respects on the pre-War

situation, but was exceptionally favourable to some States and unfavourable to others.

Even for Italy the Peace Treaties undoubtedly secured some advantages. Her land frontier on the north and north-east was now satisfactory, easy to defend and offered no incentive to aggression to either side. The great majority of the unredeemed Italians, formerly under Austrian thralldom, were now brought within the fold of the fatherland. Italy was freed from the incubus of the former Austro-Hungarian Empire, for fifty years a menace to her very existence. But she found on her Adriatic border a nation which had inherited many of the characteristics of the defunct Monarchy as well as much of its territory, whose inhabitants, although a large part of them had fought as good Austrians against Italy until the very end of the War, now appeared camouflaged as Allies, demanded their rewards and got them. Yugoslavia has a large, well-organised, well-equipped and valiant army, and unfortunately for many years she was inspired by dreams of vast expansion at the expense of her neighbours, especially of Italy, whose Adriatic provinces and coasts she coveted.

By the Treaties of Rapallo and Rome (1920 and 1924) the territorial questions between the two countries were officially settled, but an active propaganda against that settlement continued to be conducted in Yugoslavia, and prevented any good understanding with Italy for many years. Italy, on the other hand, was accused by Yugoslavia of conducting an anti-Yugoslav propaganda in Dalmatia, but the largely sentimental regret which many Italians feel at the loss of the fine Latin and Italian civilisation of Dalmatia has never taken the form of terrorist outrages, murder and arson. Italy has been accused of giving shelter to Yugoslav political refugees and it is said that numbers of these refugees have been established in different parts of Italy. That is true. A very large number of these refugees and others who are members of minorities under Yugoslavia have taken refuge in Italy and provision had to be made for them. But it was better to keep them in camps where they could be watched than to have them wandering about the country uncontrolled. Italy has also been accused of having encouraged terrorism among these refugees. As far as I know Yugoslavs have no need whatever to be taught lessons in terrorism. It is they who could teach us.

It was on the sea that Italy's chief anxiety lay. Her own defenceless eastern shore, with no naval base between Venice and Brindisi, lay exposed to possible attacks from the opposite



Dalmatian coast, with its innumerable well-sheltered inlets, all ideal naval bases, guarded by a double and sometimes triple chain of rocky islands. Were that coast in the hands of a hostile Power possessed of a formidable navy, Italy would be exposed to constant risk. It is true that Yugoslavia is not a great naval Power. But there is no guarantee against her placing her naval bases at the disposal of the fleet of an ally unfriendly to Italy, and in those conditions even a comparatively small but well-organised force could inflict untold damage. Such a fleet could effect a raid from one of the Yugoslav ports to the Italian coast across the Adriatic, work terrible havoc and return to its base before the Italian fleet could come upon the scene from Pola or Brindisi, even if it were informed of the raid the moment it started.

The Adriatic was not only an Italo-Yugoslav problem. South of Cattaro lies the Albanian coast. Much has been said and written about Italy's action in Albania. But it should be borne in mind that her interest in Albania is a purely negative one. Italy has always felt an interest in the Albanian people, many of whose kinsmen have been living in Southern Italy for four hundred years. From her own point of view she does not covet possession of that country, but she is anxious that the Albanian coast should not be held by an enemy Power. That coast is even nearer to the Italian coast than that of Dalmatia. Our interest in Albania may be compared to that of England in the coast of the Low Countries. The British have indeed fought many wars to prevent them from falling into the hands of any great military and naval Power, although they themselves never dreamed of conquering them. Yugoslavia's attempted encroachments on Albania were another cause of Italo-Yugoslav dissension.

Yet there are many reasons for an understanding between the two countries. Their mutual trade is very active, their respective products being complementary to each other. Italy is Yugoslavia's best customer, and occupies the second or third place among countries exporting to Yugoslavia. All that Italy asks is that Yugoslavia should really accept the 1924 Settlement as final, for Italy is prepared to meet her half-way. In a recent speech Signor Mussolini stated this very definitely.

For many years the main cause, broadly speaking, of the Yugoslav trouble has been the attitude of France. Italy's relations with France have always been intimate, but not always cordial. In 1849 the army of the second French Republic crushed the Roman Republic of Mazzini and Garibaldi. In 1859 France and Piedmont fought side by side to expel the Austrians from

Lombardy. Later France tried to prevent the unification of Italy and could not forgive her for not being always subservient to the foreign policy of the Quai d'Orsay. It was France's attitude in the 'seventies and early 'eighties which drove Italy into the unnatural Triple Alliance. But when the outbreak of the World War revealed the danger that Europe might fall under a German military hegemony, Italy realised that her own independence would also be jeopardised by such a contingency. This, together with other causes, brought Italy into the War on the side of the Entente, for she is definitely opposed to the hegemony of any one Power. That is also one of the motives for Italy's traditional friendship with Great Britain, who is equally hostile to such hegemonies, and throughout her history has fought many wars to break them.

But after the War Italy saw the danger of Europe being dominated by a French military hegemony. France herself perhaps did not directly aspire to such a position. But her whole post-War policy was dominated by fear for her own security. Her past experiences—three German invasions in a hundred years—made this to some extent comprehensible, and Italy, whose security had long been menaced, could well sympathise with her. But it seemed to us that she exaggerated the danger of a revived Germany, and that her precautions were excessive, and might provoke that very contingency which she was anxious to avert. Her heavy armaments might be legitimate. But, not content with these, she created and armed a chain of lesser allies encircling Germany and Germany's potential friends, as a means to security. France thought that these Central European and South-Eastern European States, who had secured so much at the expense of Germany and her allies, would be the most reliable supporters against a possible revival of Germany. Unfortunately she found herself involved, perhaps at first unconsciously, in the quarrels, jealousies and ambitions of her allies, whom she had to assist in order to be sure of their help in case of need. Thus in the case of the Italo-Yugoslav dispute she felt obliged to provide Yugoslavia with abundant arms, and money to buy yet more. This intensified Italian feeling against France, apart from other causes of dissension, and France came to regard Yugoslavia as a possible ally against Italy, as well as against Germany's allies. Thus the Italo-Yugoslav dispute became a function of Franco-Italian dissension. The other causes of Franco-Italian dissension were none of them very serious in themselves; but the spirit behind them increased the bitterness.

I have spoken of Italy's security problem, but she was never obsessed by it. She had other equally serious problems to solve. With her exuberant and rapidly increasing population and her poverty in natural resources, she needed, more than any other European country, the possibility of colonial expansion, territories where her children could settle without becoming hewers of wood and drawers of water for other peoples, or whence she could secure the minerals and other raw materials which she lacked. But unfortunately she entered the colonial field late in the day, when all the best lands had been seized or ear-marked by other Powers, and she could only pick up their leavings. She is doing her best to make good use of her African possessions, and she has done some excellent work there, and has settled a considerable number of Italian farmers in North Africa, but the areas suitable for white settlers there are small. Here we have another reason for her intervention in the War—the hope that this inequality would be corrected in the event of victory. Definite promises in the colonial field were made to her by the Treaty of London, but for some years after the end of the War they were not fulfilled. Great Britain did meet her obligations in 1924 by the cession of Jubaland, and that made a very good impression in Italy. The territory itself was not of great value, but the way in which it was ceded argued a spirit of real friendship. For many years France refused to meet her obligations, and this was another cause of Franco-Italian tension.

Then there was the unsatisfactory condition of the Italians in Tunisia. Long before the French occupation of Tunisia, Italian settlers had developed the Regency and created its wealth and prosperity by their labour and intelligence. Its seizure by France in spite of repeated undertakings that she would not do so, caused deep irritation in Italy, an irritation which was increased by the pressure which the French authorities brought to bear on the Italian residents, more numerous than those of French origin, to adopt French nationality, the restrictions placed on the Italian schools and other institutions, and the fact that the *modus vivendi* of 1896, which regulated the status of the Italian community, was denounced, in September 1918—the date chosen was singularly ill-timed—and not substituted by a regular treaty, but had to be renewed every three months. All Italy's attempts to get the question settled were met by a *fin de non recevoir* on the part of France.

But Italy's foreign policy was not by any means solely inspired by her own problems. Like Great Britain, she realised, as

soon as the War was over, that it was both unwise and dangerous for the victors to be too ruthless towards the vanquished foe. The Germans and their allies had no doubt been the authors of the War and responsible for the terrible sufferings which it entailed, and they must bear the burden. But the burden must not be made intolerable. At the Peace Conference Italy had advocated a more reasonable attitude, and opposed all solutions calculated to leave a trail of excessive bitterness behind. It was not a question of abstract justice, but anxiety lest, by attempting to force an impossible burden on the defeated nations, a reaction of despair might be provoked leading to incalculable and disastrous consequences. In the meantime the world would be kept in a state of constant ferment, which rendered a return to confidence and normal sanity impossible. Although Italy herself was one of the victorious Powers, she had had, as we have seen, her own experience of the errors of the Peace Treaties; she had suffered from the *Realpolitik* of her Allies, which was none the less hard to bear even when camouflaged under the mantle of Pecksniffian virtue. She was therefore all the better able to realise the even greater bitterness felt by the vanquished Powers, and she constantly, but vainly, advocated a more generous attitude.

She so acted in the case of Turkey. She did her best to attenuate the severity of the conditions imposed on that country by the Treaty of Sèvres. She failed in her attempt, and the result was, first a new war between Greece and Turkey which involved terrible suffering on both sides, and then the sweeping away of the Greeks, civil and military, from Asia Minor, the tearing up of the Sèvres Treaty, with the consequent prejudice to the prestige of Western Europe, and the birth of a new Turkey, wholly free from Western control, ardently nationalist and xenophobe, and often very difficult to deal with.

In the case of Germany, Austria, Hungary and Bulgaria, Italy took a similar line, and was therefore regarded in France, and in certain circles even in Great Britain, as pro-German and unfaithful to her Allies. But it was the ruthlessness of Allied policy, too like that of pre-War Germany, which she opposed, not out of love for Germany, but because of the danger to a stable peace which it involved. She deprecated the occupation of the Ruhr, which caused an appalling economic cataclysm to all Europe, besides increasing Franco-German bitterness. She tried to restrain France from attempting to extract reparations out of Germany at what Signor Mussolini called astronomical figures, not because it would not have been desirable to make Germany pay for the

whole War—to squeeze her “until the pips squeaked”—but because it was attempting the impossible, and was bound in the long run to end in Germany not paying anything at all—and that is what actually happened.

The Locarno Treaties were the first instance of a return to a measure of sanity in international relations, the first attempt to treat Germany on a footing of equality, as France was treated after the fall of Napoleon at the Vienna Congress, but unfortunately Germany had no Talleyrand. At Locarno the Franco-German Rhine frontier was guaranteed against aggression from either side. This was wholly in keeping with Italy's attitude, and Italy contributed not a little to the success of Locarno, acting in close cooperation with Great Britain. Had the Locarno spirit been maintained, much further trouble might have been averted.

Unfortunately the disarmament deadlock continued and greatly attenuated the good results of Locarno. Italy, like Great Britain, realised that it was materially impossible to keep Germany permanently disarmed, while other Powers remained armed to the teeth and continued to increase their armaments. Germany, Italians were sure, would only remain disarmed until she felt she could safely snap her fingers at the rest of Europe and rearm to her heart's content. The same remarks apply to a lesser extent to the other defeated Powers.

Great Britain shared Italy's views to a very large extent. But Italy felt that if Great Britain had supported such a policy with greater determination it might have been enforced. It seemed to us, rightly or wrongly, that Great Britain was so dominated by her rampant pacificism and by her fears of being drawn into more Continental complications, that she would not take a strong line, thereby tending to bring about the very situation which she most wished to avert. In our view there is nothing so likely to bring about war as too much pacificism.

The disarmament question also affected Franco-Italian relations in connection with the London Naval Conference of 1930. Italy was prepared to scrap battleships and submarines, and to reduce her naval armaments to the lowest level, be it never so low, provided they were not surpassed by those of any other Continental Power, while the French delegates demanded that Italy should undertake to keep her fleet always at a lower level than that of France. Italy was, in fact, asked to register her own permanent inferiority *vis-à-vis* of France by a notarial act. Italy, of course, rejected such a proposal and Franco-Italian relations became yet more acute. The controversy was made even more bitter by the

wide publicity it received. Here indeed was a case where a little touch of secret diplomacy would have been a blessing. The problem of naval parity existed before the Conference, but as long as no one talked about it, it did not very much matter to anyone, either in France or Italy. It was only when it was spread forth before the public gaze and analysed by the press in all its aspects that it became a live issue and provided a new cause of Franco-Italian friction. The course of the London Conference and of its sequel in Rome in March 1931 convinced Italian public opinion more than ever that France was heading—I still believe unwittingly—for a military hegemony, for she was not only determined to keep Germany and her possible allies disarmed, but also tried to keep Italy, who was one of her guarantors under the Locarno Security Pact, in a state of arms inferiority.

Nevertheless Fascist Italy was exploring every avenue to reach an understanding with France. She felt that there was no really serious reason for Franco-Italian rivalry, and that while it lasted European stability was impossible. Then came the economic depression, which made a solution of the political problem even more urgent, for the economic crisis could never be overcome unless political stability were achieved, and this could only be done if Germany and her ex-allies were more satisfied, and Franco-Italian dissensions settled. All these various problems were dovetailed into each other.

The coming of Henri de Jouvenel as French Ambassador to Rome marked the first beginning of better feeling between the two countries. M. de Jouvenel understood the Italian mentality as few Frenchmen did. He realised that the individual points at issue might be settled without much difficulty, if only the spirit animating the two countries could be altered. He and Mussolini understood each other, and in addition, de Jouvenel, not being a career diplomat, but a political man with an independent position, was less hidebound by the rigid and uncompromising traditions of the Quai d'Orsay, and was able to take a line of his own. He was only in Rome for six months, but he achieved more in that time than his predecessors had done in twice that number of years.

The Franco-Italian understanding was, however, hastened by an outside event—the rise of Nazi Germany. Whether we like it or not, Nazism has undoubtedly been brought about by the manner in which Germany has been treated since 1919. The non-aggressive and rather feeble Germany of the Weimar Constitution, of the Stresemanns and the Brünnings, had reacted against Prussian-

ism in the hope of securing fairer treatment. But finding her advances rejected and her people treated as though they were still as aggressive and dangerous as in 1914, she was transformed by despair into the Germany of the Hakenkreuz and Hitler. It is, of course, useless to speculate on might-have-beens, but the new Germany was an accomplished fact.

Much has been said of the resemblances between Fascism and Nazism. Certain features of Nazism appealed to Italians--the ardent patriotism, the revival of hope which it engendered among a despairing people, the organised discipline which it imposed. But other features were wholly repugnant to the logical and reasonable Italian spirit. The resemblances were, in fact, more apparent than real. The two peoples are widely different, the origins of the two movements are equally different, and the leaders embodying the two are as different as they can be.

The advent of Hitler caused a deep impression in France. But it made her at last realise that, in case of serious danger, Italy might be a more useful ally than her rather wobbly friends in South-Eastern Europe, who seemed to be already coquetting with Nazi Germany. Italy, as well as France, saw the danger of this revived and possibly bellicose Germany, and was alarmed at Hitler's avowed programme of unlimited expansion, especially at his Austrian policy. The *Anschluss* would have meant for Italy a dangerous, aggressive and incalculable neighbour on her own border. But it meant something more. The annexation of Austria would have been followed by that of Hungary, and Czechoslovakia, thus surrounded, would soon have been roped in too. Then Germany would press forward to the south and south-east, to the Adriatic and the Balkans, and a new hegemonic Germany, no less dangerous than that of William II, would loom menacingly on the horizon.

This situation made a Franco-Italian understanding all the more necessary and urgent. Anxious as he was for this understanding, however, Mussolini saw that it alone was not enough for the restoration of international confidence and the averting of all risk of war. A Franco-Italian understanding by itself now would have appeared to be directed against Germany, just as an Italo-German understanding would look like a move against France. What was wanted was a real and sincere understanding between all the great Powers - France, Italy, Germany, and above all Great Britain. I say above all Great Britain, because, like Italy, Great Britain has the quality of immunity from collective hysteria, and the two countries must collaborate if the rest of

the world is to be kept at peace. But Germany too must be brought in, in spite of her new and somewhat alarming spirit, or rather because of it. Germany as a pariah, an outcast from the *communitas gentium*, was much more likely to become dangerous, whereas a Germany treated as an equal among the great responsible Powers could much more easily be kept out of mischief, and made to pull her weight for the maintenance of a stable peace. There was no reason to refuse to Nazi Germany what Weimar Germany was regarded as entitled to. But her unreasonable demands must be rejected to-day, as they were yesterday.

Hence the origin of the Four-Power Pact. The text of the original draft of that instrument appeared more definite than the one initialled on June 7th, 1933; in the former, arms parity for Germany and treaty revision were mentioned, whereas the latter does not speak openly of either. But it does allude to the Geneva Declaration of December 11th, 1932, which affirms the principle of arms parity, and to Article 19 of the League Covenant which provides for treaty revision. It also considers the possibility that the coming Disarmament Conference might fail, and suggests the action to be taken to continue the discussions if that should happen.

It has been asserted that Mussolini's idea in proposing the Pact was to establish a dictatorship of the great Powers, get rid of the parliamentary method of the League of Nations, where all nations are equal, and exploit the lesser Powers for the benefit of the great. This, however, is a wholly erroneous interpretation of the Pact. Without going into the merits or demerits of the parliamentary system, no one will deny that where it exists in individual States it has behind it definite sanctions, an executive with power to enforce its decision. The League, as now constituted, has nothing of the kind. Moreover, it is not true that at Geneva all nations are equal; for all the important disputes dealt with there have been settled by agreement among the great Powers. Each of these Powers tries to secure by intrigue and promises the support of a number of smaller Powers so as to appear to represent a large body of opinion, but it is always the great Powers whose action is decisive, because they alone have the means of enforcing their decisions. Some of the highly civilised small Powers, such as Switzerland, Holland and the Scandinavian countries, can contribute valuable advice, others only obstruct or handicap action. We should not forget that the two fundamental agreements which have secured a measure of success for the restoration of real peace, Locarno and the Four-Power Pact,



have both been negotiated outside the League, by agreement among the great Powers.

The essential point is that those Powers who have both the means to enforce their decisions and possess a sense of responsibility should agree among themselves. If that can be achieved, peace and stability will be maintained, a spirit of reasonableness applied to world problems, and a measure of justice meted out to all.

This does not mean that Italy regards the League as valueless. The Italian view is that it may be and often is a valuable instrument of diplomatic procedure for preventing small disputes from becoming serious issues, and for settling many difficult technical questions. But it is not yet capable of handling the really major problems. As we have seen, these have usually been dealt with outside the League, or if any attempt has been made to entrust such problems to the League the results have not been very satisfactory. We know what happened with regard to Manchuria. Above all, the Italian view is that the League must not be regarded as a divinely-inspired body, but that it is a very human organisation composed of human governments and run by human beings. In a word, it must be freed from the mephitic fumes of crank-incense.

Since the initialling of the Four-Power Pact in June 1933, many international events have happened, and but for the spirit established by that Pact their outcome might well have proved disastrous. First, we had the Austrian crisis of last summer. That uprising was undoubtedly intended to bring about the Austro-German *Gleichschaltung*, as an introduction to the *Anschluss*. In spite of the murder of Dollfuss, the Austrian Government proved strong enough to crush the rebellion. The danger was German intervention, but that danger was averted by Italy's timely and vigorous action. Italy has long maintained the necessity of Austria's independence, and had in the past largely contributed to it. Italy has been accused of having made the crushing of the Austrian Socialists in February 1934 the price of her support. For this accusation there is no evidence whatever, but it has been proved by the course of events that the rising of the Socialists had been prepared a long time previously. Quantities of cases of ammunition have been discovered which bear the date 1925, and which came from Czechoslovakia. Those model working-class dwellings round Vienna which have attracted so much notice were obviously built as fortresses with machine-gun emplacements with machine guns in them, in order to secure possession of the city by force.

When in July 1934 it appeared that Austrian independence was in serious jeopardy, the Italian Government restated the necessity for its maintenance, and without issuing any ultimatum or indulging in idle talk, it moved some troops towards the frontier. Germany understood, and kept quiet. Here we have an instance of Italy's method of restraining Germany from a *coup de tête*. But for that action war might well have ensued. It has been claimed in some quarters that the League should have intervened instead of Italy alone, and that Austrian independence should be placed under a League guarantee. Comparisons may be odious, but they are sometimes apposite. In 1932 the League unanimously condemned Japan's action in Manchuria and advocated measures to stop it. Japan paid no attention, withdrew her membership from the League and is still in Manchuria. We have seen what was the result of Italy's action with regard to Austria. Would the League have been capable of equally prompt, vigorous and above all effective action?

Then came the Franco-Italian Agreement of last January. This, as I stated previously, was made possible by the changed atmosphere and the better understanding between the two peoples, brought about by Mussolini, de Jouvenel and Hitler, although it was not aimed against Germany and its authors were anxious that it should not have the appearance of being so inspired. The terms of the settlement had been slowly maturing throughout 1933 and 1934, and its effects were already beginning to be felt in the general European outlook. It was this better understanding, together with the close collaboration between Great Britain and Italy, which is always necessary, if not always, as the mathematicians say, sufficient, which helped to bring about the Saar agreement. The actual plebiscite took place in January 1935, but it was France's undertaking not to send French troops into the Saar, as she had previously threatened to do, and Germany's undertaking to abstain from promoting a Brown Shirt incursion, which ensured the peaceful issue of the plebiscite. And this too was the result of the spirit of the Four-Power Pact.

In the autumn of last year the French Minister of Foreign Affairs, M. Barthou, was to have visited Rome to conclude the details of the Italo-French Settlement. The visit was prevented by the Marseilles tragedy, of which he too fell a victim. Yet the aftermath of that tragedy showed that a real improvement had been attained in the European situation. The Belgrade Government, in its search for responsibilities outside the internal situation of Yugoslavia, instead of fastening on Italy as the villain of the

piece, which would have provoked bitter reactions in Italy, limited its charges to the alleged complicity of Hungary, and even the Geneva debates on that dispute were by no means too violent and the settlement arrived at appears to have satisfied both parties. In Italy the Government and public opinion were horrified at the brutality of the crime, and their sincere expressions of condolence had favourable reactions in Yugoslavia. Finally, the new Regent, Prince Paul, appears to be a man of sensible views and is said to be anxious to come to an understanding with Italy, which France will certainly not fail to support. The Prince's recent declarations, together with those of Signor Mussolini, seem to bear out this view.

The settlement of the terms of the Franco-Italian agreement was, of course, postponed by M. Barthou's death, as his successor Pierre Laval had much to settle before he could leave Paris. But the delay was not without its advantages, as more preliminaries were agreed upon. The French Minister reached Rome at the beginning of January of this year. After some further discussions, not always smooth and easy, as was only natural, agreement was reached and the instrument signed on January 7th. Its main provisions are as follows :—

1. By the terms of the Peace Treaties Great Britain and the British Dominions, France and Belgium, acquired large extensions of colonial territory at the expense of Germany and Turkey under the mandatory system, whereas Italy, in spite of the promise contained in Article 13 of the Pact of London of 1915, got nothing. In 1924, as we have seen, Great Britain carried out her part of the bargain by the cession of Jubaland. Now it was France's turn, and she agreed to a rectification in Italy's favour of the frontiers between Libya and the adjoining French possessions in Western and Equatorial Africa, and between Eritrea and French Somaliland, and recognised Italian sovereignty over the island of Doumeirah in the Red Sea.

2. The two Governments further agreed to develop the economic relations of their metropolitan territories with their respective African colonies and the adjoining countries. More definite and important is the provision whereby Italy is to be granted a share in the Franco-Ethiopian Railway, the only railway connection between the Ethiopian capital and the outside world.

3. With regard to Tunisia, the *modus vivendi*, which had to be renewed every three months, is at last replaced by a regular agreement. It provides that the status of the Italians in the Regency shall remain unchanged until 1945, and that all Italians born in it before that date are *ipso facto* Italian citizens; those born between 1945 and 1965 will be entitled to opt for French citizenship if they wish, and those born after 1965 will be subject to the ordinary French legislation on nation-

ality in Tunisia. The Italian Government schools will retain their present status until 1955, after which they will be treated as private schools and subject to the French scholastic regulations. Italians will be entitled to exercise the liberal professions without any discrimination if they enter them before 1945; those entering them after that date will have to conform to existing French legislation.

This settlement was not as complete as Italy would have wished, but it does represent a considerable improvement on the previous state of affairs, and this improvement could, of course, only be secured by a compromise whereby France made some concessions which she had previously refused, whereas Italy renounced some of her own claims. In any case the spirit with which the agreement was effected argues well for its success in the future.

But the Rome Protocols were not limited to African questions affecting France and Italy alone. They had a wider scope, interesting other Powers as well, and in fact were also to link up with Great Britain on the occasion of the visit to London of the French Prime Minister very soon afterwards. In the question of Central Europe the French and Italian Governments agreed that the reassertion of the undertaking on the part of every State to respect the integrity and independence of others would contribute to restore confidence in that part of Europe. They further decided to recommend to the interested parties

“ the conclusion of an agreement of non-interference in their respective internal affairs, and of a reciprocal undertaking not to incite or support any action calculated to make forcible attempts against the territorial integrity of a political or social régime of any of the contracting parties; these may, on the other hand, conclude within the framework of the League of Nations particular agreements destined to guarantee the application of such principles.”

The convention should in the first instance be concluded between Italy, Austria, Hungary, Yugoslavia, Czechoslovakia and Germany, and be open to the subsequent adhesion of France, Poland and Roumania. On the other hand, without awaiting the conclusion of this convention, and in the case of a menace to Austria's independence, the Governments of France and Italy should take counsel together and with Austria as to the most effective measures to be taken to safeguard it. These consultations could then be extended by Italy and France to the other States in order to secure their agreement. Drafted in this form, the agreement, although destined to avert any further attempt to force annexation on Austria, was in no way offensive to Germany, inasmuch as

it invited her to collaborate with the other Powers for the maintenance of Austrian independence, which might be threatened by others besides Germany. It was also applicable to various other possible attempts on the part of one country or of organisations existing in one country to subvert the governments of another. France had herself suffered considerable inconvenience from the activities of foreign political refugees on her own territory, including the murder of her own President and one Cabinet Minister and that of the King of a friendly country who was her guest. She had at last wisely realised that there are limits to hospitality.

Another clause in the Rome Protocols refers to armaments. Here the two Governments

"agree to recognise that no other country may, by a unilateral act, modify its obligations in the matter of armaments, and have undertaken to consult with each other in case this principle should be violated. They also recognise that the principle of parity of rights, as laid down in the Declaration of December 11th, 1932, retains its full value."

Thus Germany is warned not to interfere with Austrian independence, not to break her contractual undertakings, but at the same time she is granted legitimate satisfaction in the recognition of the principle of parity, which should be recognised by mutual agreement.

These stipulations are in harmony with the guiding principles of Italian foreign policy—that the defeated Powers cannot be forcibly kept in a state of permanent unfair discrimination, but that they must not be allowed to violate their pledges; where excessive pledges have been exacted, they should be modified, but by mutual agreement. Recent occurrences show the importance of this provision.

I have often alluded to the question of treaty revision in connection with Italy's general attitude on foreign policy, independently of armaments parity for Germany. The revision of the Paris Peace Treaties actually began long before the ink was dry on the signatures, but for a long time no one dared whisper the awful word, for it was feared that any attempt at systematic revision would at once lead to war. The Italian Government was the first to mention it openly, and it was alluded to in the first draft of the Four Power Pact; out of deference to the protests of some of the non-signatory Powers the actual word was, as has been seen, deleted from the final text, but the mention of Article 19 of the Covenant amounts to the same thing. The idea of revision

is now coming to be generally accepted as sooner or later inevitable ; although in some quarters it is feared that any proposal to effect it will create a state of dangerous unrest in many countries, the Italian view is that the unrest is already there, and that the only way to allay it is to affirm that at some future date the more glaring injustices will be corrected. Here again we have the same principle as that applied to arms parity for Germany. Revision should be effected, but not by violence which might mean war. In some of the cases concerned, Italy is the friend both of States demanding revision and of those rejecting it, so that her part would be that of the honest broker, or, to use a less Bismarckian expression, a friendly intermediary. What is essential is that these old sores should not be allowed to fester. No definite solution is suggested, nor would any be forced on unwilling parties. But if we really desire a stable peace, permanent legitimate grievances should, in some way or other, on the principle of *do ut des*, be eliminated.

In conclusion, we may say that Italy's situation is undoubtedly better than it was immediately after the Peace Treaties. Not all the causes of her dissatisfaction with those treaties have been eliminated, but she hopes that eventually they will be. She has no wish to encroach on the rights of others, but if the day should come for a re-shuffling on the colonial board, Italy would insist on having her fair share. But she is equally determined to do all she can for the maintenance of world peace, or of a really stable peace, and of reduction of armaments, equal for all. It is sometimes asked why it is that, while the Italian Government advocates peace and arms reduction, it proceeds to the extension of military training among the youth of Italy. The answer is easy. Apart from the disciplinary and civic value of this training, which is inculcated in such democratic and peaceful countries as Switzerland and in the English public schools, the Italian idea is that disarmament must be general, applicable to land, sea and air armaments equally, and universal, applicable to all countries equally. Otherwise, as Mussolini once said, it is an ugly comedy. We are most anxious to reduce armaments, because armaments are expensive and we need the money for social and economic improvements. But reduction can only be achieved by mutual and general agreement. Until then, we feel that we must be ready to defend our country against possible dangers.

I think I have shown that the tendencies and aims of Italy's foreign policy are in harmony with those of Great Britain. The friendship between Great Britain and Italy is traditional, and the adjective is not a mere cliché. Both countries are ardently

desirous of peace, both take a tolerant view of their ex-enemies and are ready to forget past quarrels, both are definitely opposed to the military hegemony of any one Power, both are determined to safeguard our common Western civilisation against any form of Oriental insanity, and both, as I said before, are less liable to collective hysteria than most other countries. Great Britain, friendly as she was towards Italy, was anxious to be friendly also towards that other great and civilised European country, France. With the conclusion of the recent understandings she need have no difficulty in being the friend of both. If Germany can be induced to collaborate as well, I think we may look forward to the future with some measure of confidence. But we must try to understand each other's points of view, and, convinced as each of us is and indeed must be, that our point of view is the best, we must be ready to admit that there are others, and that it is no use trying to teach other peoples how to manage their own affairs.

*Summary of Discussion.*

QUESTION : What was the Italian attitude to the Balkan Pact? It was a matter of some importance in connection with the extension of security agreements to South-Eastern Europe.

COMMENDATORE VILLARI replied that Italy did not regard the Balkan Pact as of much importance since Bulgaria was not a signatory, but she had promoted an agreement between Greece and Turkey, formerly hereditary enemies, which might be an important factor in the peace of Eastern Europe.

QUESTION : Would Commendatore Villari speak about the Abyssinian situation, on which he had merely touched in his paper?

COMMENDATORE VILLARI said that there had been for a long time in various parts of Africa an agitation against white men and against Europe as a whole. The incidents in Italian Somaliland were by no means isolated; there had been a number of incidents on the frontiers of other countries bordering Abyssinia, particularly the Sudan and French Somaliland. Most of the trouble was due to slave-raiding. The attack on the Italian Consulate at Gondar, the first of such incidents to concern Italy, had been carried out by the local Chief of Police, who happened to be a notorious slave trader.

The more recent trouble was due to the fact that the frontier had not been delimited. In 1908 Italy had concluded an agreement with Abyssinia to have the frontier delimited and had begun the delimitation in 1910, but the Abyssinian authorities, on one pretext or another, had prevented the work from being carried out. There had been a vague agreement that the territories of tribes formerly under the

Sultanate of Obbia should belong to Italy, and those of the tribes further to the north to Abyssinia, but no definite line had been drawn. Some six years ago the Italian authorities in Somaliland had occupied Wal-Wal and established frontier posts, and the Abyssinian authorities had made no protest; until on December 5th, 1934, they had brought six to eight hundred men against Wal-Wal. Italian aeroplanes had flown over the Abyssinian force to observe what it was doing, and it was alleged that they had been provided with machine guns; as a matter of fact all that they had had was cameras. The Italian outpost had resisted the Abyssinian attack and the Italian Government demanded that satisfaction should be given for that undoubted act of aggression, asking that the matter be dealt with according to the provisions of the Italo-Abyssinian Treaty of Friendship and Conciliation of 1928. Article 5 of that Treaty provided that in case of a dispute between the two countries the question should first be handled by the ordinary methods of diplomatic negotiation. If the negotiations failed, then recourse should be had to conciliation as defined in the Treaty: two delegates were to be chosen by Italy and two by Abyssinia, to work out the question at issue and to try to arrive at a solution. If that procedure failed, the delegates were to choose a fifth delegate as arbitrator, who would presumably be of another nationality. At the moment the procedure was still in the first stage of diplomatic negotiation. One point had already been settled, *i.e.* the establishment of a neutral zone between the Italian posts and the Abyssinian posts.

It might be said that Italy had been threatening Abyssinia by military measures. But it must be remembered that Italy had in Somaliland and Eritrea only a very small number of native troops commanded by Italian officers and non-commissioned officers. She had recently sent there two divisions, about 30,000 men, plus a certain number of airmen, sappers and engineers of different sorts, making the total force about 40,000 or 50,000. The Abyssinians could, without difficulty, raise an army of 500,000 men and could easily call out an even larger number of troops, as every Abyssinian peasant was a soldier. Consequently the measures taken by Italy were of a defensive nature only. She was not pursuing an aggressive policy; otherwise she would have sent ten or more divisions. It must also be remembered that Italy was 4000 kilometres distant from East Africa.

Italy wanted security for her colonies and she wanted to trade with Abyssinia as actively as possible. She had even made an agreement with Abyssinia to construct a motor road from the Italian port of Assab in Eritrea on the Red Sea to Dessié, but the Abyssinians had refused to carry out their share of the work, and so Italy had not started on hers. It was hoped, however, that it would eventually be carried out. Italy had also undertaken to give to Abyssinia a section of the port of Assab for her own trade.

It was not easy to deal with a country in the state in which Abyssinia was, especially in view of the fact that a violent feeling of xenophobia



animated a large part of the population of Abyssinia and also of other parts of Africa. But all European Powers ought to work together to spread European civilisation as widely as possible in that continent for the benefit of the natives as well as of the rest of the world.

MR. J. G. R. BRAMHALL asked the meaning of the following passage from an article written by Signor Mussolini in the *Enciclopedia Italiana* in 1932, which had caused a certain amount of confusion in England in regard to the Italian attitude to the general question of peace and foreign policy.

"And above all, Fascism, the more it considers and observes the *future and development* of humanity quite apart from political considerations of the moment, believes neither in the possibility nor the *utility* of perpetual peace. It thus repudiates pacifism, born of a renunciation of the struggle and an act of cowardice in the face of sacrifice. War alone brings up to its highest tension all human energy and puts the stamp of nobility upon the peoples who have the courage to meet it."

It seemed that Signor Mussolini was advocating war for the sake of war.

COMMENDATORE VILLARI said that he thought that Signor Mussolini in that article was basing himself on history. A state of perpetual peace had not been possible in the past and events had shown that pure pacifism was not conducive to the highest virtues, but had also meant the promotion of war of the most dangerous kind. If Germany had not been disarmed and therefore forced to be pacifist at the time of the occupation of the Ruhr the occupation would never have taken place. Mussolini's whole policy had been to try to find the best means of establishing peace on a sound basis, but he thought that peace in the abstract was not sufficient and that conditions which would satisfy everybody could not be realised by an absolute renunciation of war. All that could be hoped was to make it more difficult in the future.

MR. J. H. HUMPHREYS said that some observers were of the opinion that the maintenance of Austria's independence would depend in the long run upon whether there could be any real foundation for her economic prosperity. Others had pointed out that Austria had been a prosperous country when the tariff walls which the Successor States had created did not exist. In those circumstances should it not be an essential part of the foreign policy of Italy to get together all the Danubian States, the Little Entente, Hungary and Austria into some common regional understanding for the lowering of tariffs between all those countries?

COMMENDATORE VILLARI said that Italy had, in fact, promoted the Rome Protocol for an understanding, in the first instance, between Italy, Austria and Hungary, to be extended to the other Danubian States and beyond them to other countries, such as Germany. Originally the Tardieu agreement had been limited to the Danubian States, but it had been found that those States could not prosper until they

had an opportunity of extending their economic activities beyond the borders of the Danubian States themselves because their mutual trade was not sufficient. Hungary and Roumania were wheat-exporting countries. They could export a part of their wheat to Czechoslovakia, Austria and other Danubian countries, but that was not enough. They must also be able to export to such countries as Germany and Italy, and the latter had made some agreements for importing some of the agricultural produce of Hungary.

The Rome Protocol was intended to apply the essentially sound principle laid down at the Stresa Conference.

DR. SETON WATSON first suggested that Italy's attitude towards the League had been more in the spirit of the phrase quoted by Mr. Bramhall from Signor Mussolini's own writings than in accordance with the principles pursued by Great Britain since the War. His whole attitude rested upon ideas of "Machtpolitik" and was avowedly militaristic: ever since the days of the Corfu incident Italian policy had been one of the contributory causes hostile to the League.

Secondly, he said that Signor Villari had referred to some of the minor countries of Central Europe which had derived some of their ideas from the old Austro-Hungarian Monarchy. It seemed rather that Italy had taken over the famous maxim of the old Monarchy, "Divide et impera," and had applied it to the whole south-east of Europe—as between Yugoslavia and Albania, as between Yugoslavia and Bulgaria, as between Roumania and Hungary, as between Czechoslovakia and Austria, as between Czechoslovakia and Hungary, as between Albania and Greece. He was surprised to hear that Italy had done so much to promote the Greek-Turkish Agreement: Turkey's present attitude towards Italy did not seem to justify that statement.

The next point was the attitude of Italy towards treaty revision. He did not suggest that the ridiculous attitude of "No, no, never," which some of Hungary's opponents had latterly taken over from Hungary itself, was to be justified. He did not suggest that treaties were sacrosanct and could never be modified. But he did suggest that it was Italy's policy of deliberately encouraging an altogether fantastic conception of revision in the one particular direction of Hungary, that had done more than anything else to prevent the union of the five Danubian States. That policy amounted to taking two of the five under her wing, thereby forming a group of Italy, Austria and Hungary against the other three States, and driving in a deep wedge into the heart of the Little Entente. If there was one country in Europe which ought to remain silent on matters of revision it was Italy. If there was one frontier which could be modified on an ethnographical basis it was the frontier of Italy towards Austria and Yugoslavia, and it therefore seemed rather unfortunate that Italy had made herself the champion of that particular movement. If she had merely made herself the champion of rendering effective Article 19 at Geneva, he would have no criticism to offer.

Signor Villari had made a remark about press campaigns and the mischief which the press could do. He would remind him that as between Italy and Yugoslavia there had been very violent press campaigns on both sides of the Adriatic, and as both in Yugoslavia and in Italy the press was strictly controlled, it might be presumed that on both sides the campaign was tolerated by the Government.

He would remind Signor Villari of four points which caused difficulty between Italy and Yugoslavia (quite irrespective of the attitude of France or of the Little Entente, and irrespective of the fact that he did not suggest that Yugoslavia also had not a clean record in Albania) :—

(1) The belief entertained by Signor Mussolini for some years past in the possibility of breaking up Yugoslav unity.

(2) In this belief that Croatia could be separated from Serbia, the activities of the immigrants were deliberately encouraged in Italy and they were maintained and financed and provided with supplies by the Italian Government.

(3) Italy's designs on Dalmatia.

(4) The position of the Yugoslav minority in Italy, deprived of the most elementary linguistic and political rights.

COMMENDATORE VILLARI said that he had already dealt with Signor Mussolini's attitude towards the League in the course of his speech. Mussolini realised that the League had its limitations as well as its virtues, but even without Mussolini's statement the course of events had shown where the limitations of the League lay. It might be remembered that the two countries that had been most anxious that the League should take a strict line with regard to Manchuria were Norway and Czechoslovakia, two countries which could not possibly do anything effective in the Far East.

With regard to the charge against Italy in relation to the Danubian States of Central and South-Eastern Europe, the dissensions between the two groups were so strong and bitter that nothing Italy could do could make them any worse. Moreover, it was not Italy who advocated any particular scheme of treaty revision but Lord Rothermere, and the last speaker's remarks should be addressed to him. It was always intended, as he had already stated, that the agreement which Italy had made with Austria and Hungary should be extended still further, because Austria and Hungary, even with Italy's help, could not possibly improve their economic situation unless the agreements comprised other countries.

He agreed that there had been a press campaign in Italy against Yugoslavia, but it was in answer to the campaign in Yugoslavia against Italy. Very fortunately few people in Italy could read the Yugoslav press, or the indignation would have been greater than it was.

With regard to the Yugoslavs in Italy, all that Italians wanted was that they should become good Italian citizens. There was no wish to treat them unfairly and in the early days after the Peace

Treaties they were allowed absolute freedom in every way. But the Yugoslavs from beyond the frontier took advantage of that freedom to promote dissension and to prevent conciliation between the two races in Italian territory.

Yugoslav refugees in Italy were put into camps because it was easier to keep control of them there than if they were allowed to be loose, but being very numerous they were a considerable inconvenience to Italy.

Finally, there was Dr. Seton-Watson's point about revision. Italy had a smaller percentage of alien peoples within her territory than almost any country in Central or Eastern Europe. If there was to be any question of treaty revision it ought to begin with countries which had absorbed a larger number of alien peoples. Italy would come last in the list.

MISS FREDA WHITE said that the crux of the trouble between Abyssinia and Italy lay in the refusal of Italy to negotiate in connection with the Wal-Wal incident. She understood that the Italians refused to put into operation their own Treaty of 1928 because it involved negotiation, and a refusal to alter their claims was not negotiation. The terms, including a salute to the Italian flag which the Italians asked for in connection with Wal-Wal, were equivalent to a claim that Wal-Wal was Italian property, as it was unacceptable on the basis that the ownership of the territory was still in dispute.

What was important was that hostilities had broken out on December 5th, 1934, after the members of the Commission had gone, so that there was no proof as to who started them. But if there was no proof there were, in the eyes of the neutral world, certain indications as to who was responsible.

(1) There was the correspondence between the Italian Commissioner and the Abyssinian leader on the spot which was forwarded to the Boundary Commission and which had been published by the League. The notes written by the Italian did not dispose one to consider that he was a very judicial person, for they were very angry and threatening notes.

(2) There was the fact that the Abyssinians appeared to have waited to attack until the arrival of the Italian reinforcements, with tanks and bombing planes.

(3) There was the refusal to allow an investigation, which led to the inevitable conclusion that the side which could not bear investigation was in the wrong.

That had been the history in other League of Nations disputes since the War, and the refusal of Italy to submit to it put her into a very undignified position, and led to one of two conclusions in the minds of most people; either that the incidents of the actual outbreak of hostilities would not bear investigation from the Italian point of view, or that Italy's demands were being made with the intention of provoking Abyssinia and forcing her into a position which would give Italy an excuse to attack her.

She agreed with what Signor Villari had said about spreading European civilisation in Africa, but it meant that Europeans must judge themselves more hardly than they judged the African peoples.

They must show a stronger sense of justice and generosity towards them than they would show even towards their own people.

COMMENDATORE VILLARI said that if Italy had had aggressive intentions she would have sent much larger forces to Abyssinia than she had done. As he had already stated, the number of men was so small that all they hoped to do was to defend Italian territory against aggression. On the other hand, not only could the Abyssinians dispose of much larger bodies of men, but they had placed large orders for war material in Germany and Czechoslovakia. Even at the moment at Addis Abeba representatives of various chemical firms were providing material for poisoning the wells and for poison gas.

The following statement by the Diplomatic Correspondent of an important British newspaper, the *Daily Telegraph* for March 15th, 1935, was the best answer to the question.

"I understand that both Governments have again been urged by Great Britain to make a further effort to reach a settlement of the Ethiopian dispute on the basis of the undertakings jointly given to the League of Nations in January.

The Ethiopian Government has been consistently advised and even urged from London to get away from the diplomacy of a long-range exchange of Notes, and to seek the earliest possible settlement by direct conversations with the Italian Minister. This advice does not appear to have been acted upon.

Indeed, the latest news from Addis Ababa suggests that the Emperor of Abyssinia has now finally made up his mind to rely entirely on the League of Nations to extricate him from his troubles.

It cannot be stated too clearly that neither Britain nor France—the other European Powers with interests in this part of Africa—consider that the League will be able again to create so favourable a situation for Abyssinia as was brought about by them at Geneva six weeks ago.

If the matter is investigated by the League Council it will inevitably become clear that the Abyssinian escort, suddenly attached to the Anglo-Abyssinian Boundary Commission for the last stage of the journey to Wal-Wal (where the December incident occurred), seems to have acted in a most provocative manner.

The Boundary Commission had been allowed to travel more than 100 miles through most difficult country without escort. The Abyssinian force of 650 men only arrived to assume 'protective functions' on the last 18 miles of the journey.

On arrival in front of Wal-Wal it 'dug in' within 30 yards of the Italian posts, and remained in these positions for more than a week after the Boundary Commission had left.

In London it is felt that the Abyssinian efforts to secure arbitration (on the grounds that all means of securing a direct settlement have been exhausted) are doomed to failure "

As he had already very definitely stated before, the Italian Government had acted in strict accordance with the Treaty of 1928, and had not violated it as Miss White had suggested. That Agreement provided that in case of dispute, diplomatic procedure should be first resorted to; if that failed, conciliation was to be tried, and if conciliation failed, arbitration, and that was the line which Italy had been following and would continue to follow.

MISS MURIEL CURREY first reminded Dr. Seton-Watson of the speeches by the representatives of both Greece and Turkey when the Treaty of Friendship and Conciliation between them was signed, in which they made very remarkable acknowledgments of the work which

had been done by Signor Mussolini. Signor Mussolini's original idea had been to sign not a bilateral treaty but a tripartite treaty between Italy, Turkey and Greece; but the negotiations had dragged on for so long, owing to difficulties between Greece and Turkey over the exchange of population and the compensation due, that finally he had decided he could wait no longer and that he would conclude treaties with Greece and Turkey separately, and then try to get those two Powers to settle their disputes.

None of the critics in the English press, who claimed that Italy was not a loyal member of the League of Nations, ever mentioned Italy's action at the Disarmament Conference. Throughout the whole of the Disarmament Conference the Italians had made the most practical proposals for the reduction of armaments.

Finally, had Italy discovered Eldorado? If not, how could she be the financial support of the Austrian Government, and how could she embark on an expensive campaign in Ethiopia? It was also said that Italy had supplied £300,000 in hard cash to organise the revolution in Greece.

COMMENDATORE VILLARI, in amplification of Miss Currey's remarks about the Turkish-Greek Agreement, said that not only had the Turkish and Greek Ministers of Foreign Affairs thanked the Italian Government but both of them had gone personally to Rome to do so.

With regard to the Italian Eldorado, he did not know where Italy could get the money from, but he suspected that it was non-existent.

MR. L. C. DENZA said that the factor which worried him most was Italy's financial position. It had been felt, as far back as 1926 when she stabilised her currency, that she was doing so at a rather high figure, and the subsequent world crisis, and in particular the departure of England and the United States from the gold standard, had made matters very much more difficult for her.

Italy had had an adverse trade balance as long as trade figures existed and had managed to balance her budget only with the help of a very large tourist traffic and large remittances from Italians resident in the United States. Both those sources of income were reduced, and the position was made much worse by the decision of Italy to maintain a rate of exchange which was beyond her means. Italy's financial reserves were not too big, and if only she realised that her currency was hopelessly overvalued she would not run the risk of throwing in her limited reserves to maintain the existing rate of exchange, but by timely devaluation would put herself in a far sounder position than she was at the moment. The matter was of great importance because a strong Italy was essential to the peace of Europe. A financially weak Italy was a bad thing for everybody.

COMMENDATORE VILLARI said that the financial question was a very big and difficult one, and there was no time to deal with it adequately.

Italy had a budget deficit like all self-respecting States, but it was being steadily reduced. With regard to the question of inflation, Italy and other countries who had been through inflation had such disastrous recollections of its effects that they would make every effort to avoid reverting to it. Countries who had not been through it did not know what it meant. It would not do any good to reduce the value of the lira. Prices tended to find their own level by whatever name currency was called. Italy's currency was covered by adequate gold reserves. The reserve was not large, but circulation had been very steadily reduced, and efforts were being made to reduce it still further. The corresponding policy of reducing prices as far as possible had also been adopted; retail prices had been falling in Italy for several years and had gone down further than the reduction of wages. Italy had come to the conclusion that that was the wisest and soundest policy. She did not believe in juggling with currency and in playing tricks which did not bring any advantage in the long run.

## RECENT INTERPRETATIONS OF THE BRIAND-KELLOGG PACT<sup>1</sup>

By SIR JOHN FISCHER WILLIAMS, C.B.E., K.C.

THE Briand-Kellogg Pact, or the Pact of Paris, as it is perhaps more appropriate to call it, excited at the time of its signature, in August 1928, high hopes in some quarters and a certain amount of cynicism in others. It has, recently, in a debate in the British House of Lords, been described as a "philosophical" document; a more common description to apply to it has been that of a "pious aspiration." It is my opinion that these descriptions are inadequate and even unworthy appreciations of the document, that the Pact is a symptom, if not of a prevailing current, certainly of a very strong undercurrent of feeling at the present time, an undercurrent which may easily become a world current, and as such that it is worth close study.

General Smuts the other day, speaking in South Africa,<sup>2</sup> told us that the United States (which, more than any other country perhaps, was responsible for the Briand-Kellogg Pact)

"now runs a grave risk of leaving in the air the Paris Peace Pact. . . . Unless she lends her cooperation in the economic and other isolation of an aggressor that has been marked down by the machinery of the League, the Pact will, I am afraid, remain the pious aspiration it has so far been."

I should like, if possible, to do something to rescue the Pact from the position both of philosophy and piety—expressions which seem to be used as equivalents of ineffectiveness.

The Pact has two clauses and a preamble.<sup>3</sup> That preamble

<sup>1</sup> Address given at Chatham House on February 21st, 1935, with the Right Hon. the Lord Howard of Penrith, G.C.B., G.C.M.G., C.V.O., in the Chair.

<sup>2</sup> Speech at a meeting of the South African Institute of International Affairs, Cape Town, February 9th, 1935.

<sup>3</sup> The text of the Briand-Kellogg Pact is as follows:

"The President of the United States of America, the President of the French Republic, His Majesty the King of the Belgians, the President of the Czecho-Slovak Republic, His Majesty the King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India, the President of the German Reich, His Majesty the King of Italy, His Majesty the Emperor of Japan, the President of the Republic of Poland;

Deeply sensible of their solemn duty to promote the welfare of mankind; persuaded that the time has come when a frank renunciation of war as an instru-



is perhaps more than an ordinary preamble. It contains a statement that all the Heads of the signatory States are

"convinced that all changes in their relations with one another should be sought only by pacific means and be the result of a peaceful and orderly process, and that any signatory Power which shall hereafter seek to promote its national interests by resort to war should be denied the benefits furnished by this Treaty."

That is a solemn and impressive statement; it is not, as recitals to legal documents usually are, merely a statement of something preliminary to the operative clauses of the agreement, but is an enunciation of a conviction on the part of the Heads of the States who were parties to the Pact. Such a conviction, so stated, seems to me to rank as a positive proposition of international law when it gives us as a legal conclusion that an attempt to promote national interests by resort to war involves the forfeiture of the benefits of the Treaty.

Then follow the two clauses of the Pact. The first is a solemn declaration by the High Contracting Parties that they "condemn recourse to war for the solution of international controversies, and renounce it as an instrument of national policy in their relations with one another; "

the second is an agreement by the same Parties that

"the settlement or solution of all disputes or conflicts of whatever nature or of whatever origin they may be, which may arise among them, shall never be sought except by pacific means."

ment of national policy should be made, to the end that the peaceful and friendly relations now existing between their peoples may be perpetuated;

Convinced that all changes in their relations with one another should be sought only by pacific means and be the result of a peaceful and orderly process, and that any signatory Power which shall hereafter seek to promote its national interests by resort to war should be denied the benefits furnished by this Treaty;

Hopeful that, encouraged by their example, all the other nations of the world will join in this humane endeavour and, by adhering to the present Treaty as soon as it comes into force, bring their peoples within the scope of its beneficent provisions, thus uniting the civilised nations of the world in a common renunciation of war as an instrument of their national policy;

Have decided to conclude a Treaty, and for that purpose have appointed as their respective plenipotentiaries: . . . Who, having communicated to one another their full powers, found in good and due form, have agreed upon the following articles:

Art. 1.—The High Contracting Parties solemnly declare, in the names of their respective peoples, that they condemn recourse to war for the solution of international controversies and renounce it as an instrument of national policy in their relations with one another.

Art. 2.—The High Contracting Parties agree that the settlement or solution of all disputes or conflicts, of whatever nature or of whatever origin they may be, which may arise among them, shall never be sought except by pacific means."

So you have three things, a declaration of a conviction that changes are to be sought by a peaceful and orderly process on pain of the loss of the benefit of the Treaty, a declaration that recourse to war<sup>1</sup> is condemned, and an agreement that the solution of disputes and conflicts is never to be sought except by pacific means. This last agreement does not mean the High Contracting Parties will necessarily succeed in solving all disputes and conflicts by pacific means, but that they will not attempt to solve them except by pacific means.

The International Law Association at Budapest addressed itself to this question of what direct consequences in the realm of international politics should be deduced from this solemn instrument. The International Law Association has been spoken of recently as if it consisted solely of jurists, persons *ex hypothesi* unpractical. This is to do it an injustice; not only does the Association include in its membership an element of practical and commercial men, but it has something in the nature of the authority that belongs to a "Great Society"; whenever you get a body of men mainly of the same profession and the same tastes, gathered together from different nations, you will find there at once an atmosphere of common understanding, and a desire to seek something which goes beyond the divisions into which the human race is divided politically at the present time. That atmosphere is a fact—an "intangible"—one of the things with which statesmen and peoples have to reckon.

The Association of International Law produced what have been called Articles of Interpretation of the Pact.<sup>2</sup> What is the essential feature of these Articles? The essential feature is that the International Law Association has treated the Kellogg Pact as involving something in the nature of a revolution in the law of neutrality. The Articles treat the Pact as allowing the States who are parties to it not to be bound by all the rules of neutrality in the old sense towards any State which violates the Pact. On this showing the Pact follows on the same lines as the Covenant of the League of Nations, for these rules of neutrality had already by the provisions of the Covenant been subject to very large qualifications, to say the least of it, in respect to such States as are Members of the League.

Now the main principle of the law of neutrality as we have it at the present time, or had it a short time ago, is briefly this—

<sup>1</sup> I take "recourse to war" here to mean "recourse to non-pacific means."—J. F. W.

<sup>2</sup> For the text of the Articles see p. 354 below.

that in the event of war it is the duty of a State not a party to the conflict to treat both belligerents with absolute impartiality, and not to "take sides," not to be benevolent to one party and turn a cold shoulder to the other; this is the governing principle of the law of neutrality which was in force when the Great War broke out, even if it became subject for Members of the League to the provisions of the Covenant after the Great War had ended.

Now it is remarkable that this principle has not always been a part of international law. The greatest name among the classical authors on international law, Grotius, did not accept it. He told us that

"It is the duty of those that are not concerned in the war to do nothing whereby he that supports a wicked cause may be strengthened or whereby he that moves in defence of a good cause may be hampered."<sup>1</sup>

So that for the doctrine that neutrality need not be a rigid impartiality towards the two combatants, whether they are good or bad, we can quote a very respectable authority. True, it may be said that he is a rejected authority, an authority who was not followed even within a very little time after his death, but still we have here a weighty and highly respected name. Grotius went on to say that where the cause is doubtful the neutral States should show themselves "equally civil" to both parties, and it is, of course, true that soon afterwards the world readily made up its mind that in all wars the cause was doubtful, and that neutrals should show this impartiality, this "equal civility," to all belligerents, and could not discriminate between the just and the unjust.

The Budapest Articles thus interpret the Pact of Paris as a reversion to the older opinion of Grotius and a departure from the law of neutrality by impartiality which has been accepted in the intervening centuries. This duty of impartiality had come to be law largely because of the dominance both of the theory and of the fact of the separate and independent sovereign State. States were many and States were equal; they had to respect the decisions and opinions of each other. There was no community and therefore no common opinion. If the human race had been able to keep to the doctrine of the community of nations, the doctrine foreseen by Dante (no friend to an unworthy neutrality)<sup>2</sup> and inherited from Rome, if that doctrine had been kept alive, there can be little doubt that the view of

<sup>1</sup> *De Jure Belli ac Pacis*, III. 17. 3. (Erat's Translation, 1682.)

<sup>2</sup> *Inferno*, III. 37.

Grotius would have prevailed. A community would have had a common opinion.

It may well be that the historian of the future, when he looks back to the present time, will pick out as the special characteristics of our time the tendency to return to the idea of the collective system, to hold that our salvation is to be sought in reconsidering, if not exactly retracing, our steps and finding again, somehow or other, the means to rebuild or build up the international community. The Budapest Articles are a manifestation of that tendency. But indeed they were not the first intimation of that particular interpretation of the Pact. You will find that certainly one American Professor of International Law, whose opinions are worthy of respect, had already given expression to very much the same view.<sup>1</sup>

The question that agitates the lawyer at once is whether the Budapest Articles in interpreting the Briand-Kellogg Pact were "good law." That is rather a difficult question to answer. When one is asked on a particular point which has never actually been decided by a competent court, "What is the law?" a lawyer is not quite in the same position as a scientist who is asked what is the truth of some scientific theory. The lawyer when he is asked, "Is this good law?" is in fact asked to make a prophecy as to how a certain proposition will appeal to certain minds; he cannot prophesy in quite the same way in which a scientist, say an astronomer, can prophesy as to an eclipse. Let us look for a moment at some of the decisions that have recently been given by courts of high authority. We have just had a decision at the Permanent Court of International Justice, where the Court was divided, with six judges on one side and five on the other.<sup>2</sup> If a lawyer had been asked beforehand which of the two conflicting views in this case was good law, it is clear that whichever answer he gave he would have had weighty support for his view; he was, in fact, asked to make a prophecy of a delicate character as to how certain propositions were going to appeal to the majority out of eleven minds.

So, a little time ago there was a very important case in the House of Lords regarding the liability of a married man for wrongs committed by his wife.<sup>3</sup> The House decided it in one way, but two great lawyers—Lord Birkenhead and Lord Cave—

<sup>1</sup> The reference is to the article of Professor Quincy Wright in Vol. 27 of the *American Journal of International Law*, pp. 59-61 (January 1933).

<sup>2</sup> The Oscar Chinn Case. Publications of the Permanent Court of International Justice, Series A/B No. 63. December 1934.

<sup>3</sup> *Edwards v. Porter* (1925), A.C. 1.

were of the contrary opinion. As the majority of the court took the other view it followed that the view of Lord Birkenhead and Lord Cave was declared not to be the law. But it would have been a bold man who before the decision had said with confidence that these two great lawyers were wrong in their law.

When, therefore, a lawyer is asked on a difficult and rather new problem whether a particular solution is or is not good law, he may be excused for giving a prophecy only with very considerable reserve. People often talk as if the law was something which was barely human—a set of definite propositions the results of the application of which in any concrete case could be foreseen by means of a logical process with absolute certainty. Americans towards the end of the eighteenth century were very fond of speaking of the “government of laws” and contrasting it to its advantage with “government of men” (a brilliant if unknown American schoolboy spoke of a “government of lawyers, not of men”), but law, it must be remembered, is human, it is one aspect of human activity, to some extent it is influenced by human passion, and it inevitably reflects human opinion. Law has in it a certain element of emotion, especially in regard to great cases which are agitated at an early stage of the development of a legal system—an element of emotion and moral judgment. If you want a further illustration of that fact, consider the recent judgment of the Supreme Court of the United States, where the Judges were divided five to four on the famous Gold Clause Case. One is tempted to say in these crucial cases, where the law is taking a turn one way or another, having been up to that moment indeterminate, “I am not at all sure that I could not give you a better prophecy of the way which the court is going to turn if you would supply me with accurate biographies of all the judges, rather than with a set of the legal decisions and statutes involved.” Mr. Dooley, who was not a lawyer, but a very shrewd student of human nature, told us that trade may or may not follow the flag, but the Supreme Court follows the election returns. That was perhaps a little hard on the Supreme Court if meant as a condemnation of its decisions; the election returns are, after all, only an indication of the prevailing temper in the community at any given time, and the law of any given community at any given time will tend to a great extent to follow the feelings and opinions prevailing in that community. And lest we become pharisaical at the expense of the Supreme Court, let us consider the way in which the doctrine of freedom of contract in English law has

lared since the 'eighties of the last century; without any legislation, and largely because there has been a great change in the ordinary popular opinion of our nation, there has been in relation to that conception a very considerable change in the law.

The illustrations which I have given, with the exception of the first case, that of the Permanent Court of International Justice, have been cases of municipal or national law. But this consonance of law with prevailing opinion is particularly true of international law. International law, one has to remember, does not profit from the same constant flow of decided cases, which regulates with us our municipal (or national) law. The consequence is that international judges necessarily have a rather freer hand. There is a smaller body of precedent to guide them.

Further, for international law we have to go to two main sources, what is known as the Law of Nature (which is a wide-reaching expression) on the one hand, and on the other the positive law contained in the actual agreements entered into by nations and their actual conduct.<sup>1</sup> International lawyers have from time to time been divided into two schools—"positivists" and "naturalists"—but it is perhaps fair to say now that modern international law combines the two bodies of doctrine. Article 38 of the Statute of the Permanent Court of International Justice prescribes that its law is to be drawn as well from international conventions (*i.e.* actual agreements in which States have laid down legal rules) and international custom (*i.e.* the actual customary conduct of nations), as from the general principles of law recognised by civilised nations, together with judicial decisions and the opinions of "the most highly qualified publicists of the various nations." Thus current informed opinion is an element in the formation of international law; it must be taken into consideration together with—or, rather, subject to—the principles which international law has to gather from the actual conventions and actions of States. (The French seem to speak of the source from which you get the natural element in international law as "*la conscience juridique de l'humanité*.") We have, therefore, this double source of international law, and we are bound, in considering what sort of decision an international court is likely to give as to questions of law, to remember that there will be these two streams of

<sup>1</sup> So Grotius, *De Jure Belli ac Pacis* Prolegomena 1: "jus illud . . . sive ab ipsa natura profectum aut divinis constitutum legibus sive moribus et pacto tacito introductum."

tendency affecting it. There will be on the one hand the actual conduct of States and on the other the general opinion of skilled and civilised humanity which is forming itself; these two elements combine and are as it were a father and a mother of the actual decisions of the Court.

Thus it is peculiarly difficult on a case of first impression, a case where no definite rule is clearly to be involved, to prophesy with any confidence as to the decision which a Court of International Law is likely to give. And in resolutions of bodies such as the International Law Association, it is often very difficult to distinguish the law which has actually been accepted, what is known as the *lex lata*, from the law which, at the time of the pronouncement, the Association considers ought to be accepted, what is known as the *lex ferenda*. But there is at any rate one thing undoubtedly true, and that is that in approaching these great international documents you must have a broad and liberal outlook and give a broad and liberal interpretation; in support of that statement (I must be forgiven if I display the tendency of a British lawyer to quote authorities even in speaking of these international questions) let me quote what was said by the late Lord Sumner. Lord Sumner was a man who was the least inclined of all men to emotional or even tendentious interpretations—his brilliant intellect was entirely free of sentimentality. In giving the judgment of the Judicial Committee of the Privy Council in a case <sup>1</sup> where he had to interpret one of the Hague Conventions of 1907, he said—

“Where principles by which future action is to be guided are laid down broadly, leaving to the Powers concerned the actual measures to be taken in execution of those principles, it is unreasonable to expect a greater precision than the circumstances admit of, or to reject as incomplete provisions which are expressed without much detail and sometimes only in outline. On the other hand, it is specially necessary to discover and give effect to all the beneficent intentions which such instruments embody and which their general tenor indicates. It is impossible to suppose, whatever the imperfections of their phrasing, that the framers of such instruments should have intended any Power to escape its obligations by a quibbling interpretation, by a merely pedantic adherence to particular words, or by emphasising the absence of express words, where the sense to be implied from the purport of the Convention is reasonably plain. Least of all [and here comes a sentence which we in England are in special duty bound to mark] can it be supposed that His Majesty’s Government could have become parties to such an instrument in any

<sup>1</sup> *The Blonde* (1922), 1 A.C. at p. 326.

narrow sense, such as would reserve for them future loopholes of escape from its general scope."

Surely the International Law Association, whether knowingly or unconsciously, must have taken something very like that pronouncement as their guide in the broad and liberal interpretation which they gave to the Kellogg Pact.

Let me now invite closer attention to the actual text of the Budapest Articles.<sup>1</sup>

First there is a recital which is worthy of notice because it refers to the question of the use of "armed force" not amounting to formal war, and interprets the Pact by saying that by their participation therein sixty-three States have renounced any

<sup>1</sup> The final text of the Budapest Articles of Interpretation as resolved at the closing session of the Conference of the International Law Association on September 10th, 1934, is as follows:

"The Conference of the Association held in Budapest, September, 1934, agreed upon the following preliminary Articles of Interpretation of the Briand-Kellogg Pact, to be known as the Budapest Articles of Interpretation:

"Whereas the Pact is a multilateral law-making treaty whereby each of the High Contracting Parties makes binding agreements with each and all of the other High Contracting Parties, and

"Whereas by their participation in the Pact sixty-three States have abolished the conception of war as a legitimate means of exercising pressure upon another State in the pursuit of national policy and have also renounced any recourse to armed force for the solution of international disputes or conflicts:

1. A signatory State cannot, by denunciation or non-observance of the Pact, release itself from its obligations thereunder
2. A signatory State which threatens to resort to armed force for the solution of an international dispute or conflict is guilty of a violation of the Pact.
3. A signatory State which aids a violating State thereby itself violates the Pact.
4. In the event of a violation of the Pact by a resort to armed force or war by one signatory State against another, the other State may, without thereby committing a breach of the Pact or of any rule of International Law, do all or any of the following things:
  - a. Refuse to admit the exercise by the State violating the Pact of belligerent rights, such as visit and search, blockade, etc.;
  - b. Decline to observe towards the State violating the Pact the duties prescribed by International Law, apart from the Pact, for a neutral in relation to a belligerent;
  - c. Supply the State attacked with financial or material assistance, including munitions of war;
  - d. Assist with armed forces the State attacked.
5. The signatory States are not entitled to recognise as acquired *de jure* any territorial or other advantages acquired *de facto* by means of a violation of the Pact.
6. A violating State is liable to pay compensation for all damage caused by a violation of the Pact to any signatory State or to its nationals.
7. The Pact does not affect such humanitarian obligations as are contained in general treaties, such as the Hague Conventions of 1899 and 1907, the Geneva Conventions of 1864, 1906 and 1929, and the International Conventions relating to the Treatment of Prisoners of War, 1929."



recourse to armed force for the solution of international disputes or conflicts. This is an important point and I hope to say a word about it a little later on. But I may remind you now that so long as armed force does not amount to war in the technical sense, duties of third States and rights of belligerents under the law of neutrality do not arise.

After the recital come the actual articles themselves :

1. The first Article says that a signatory State cannot, by denunciation or non-observance of the Pact, release itself from its obligations thereunder. It is quite plain what this means, and it can hardly give rise to controversy.

2. The second Article affirms that a signatory State which threatens to resort to armed force for the solution of an international dispute or conflict is guilty of a violation of the Pact. The main purpose of this Article I take to be to assimilate the threat of action forbidden by the Pact to the fact of such action. The threat is as much a violation as the act. The threat involves the use of war or armed force as a possibility, just as the act involves its use in fact, as a part of national policy. It will be noticed that the Article repeats the reference to armed force contained in the recital.

3. The third Article says that a signatory State which aids a violating State thereby itself violates the Pact. This is sufficiently clear. It merely illustrates the principle well established in all law, that anyone who combines or conspires with someone else to do an unlawful act is himself or herself guilty of the violation of the law—an accessory before the fact.

4. Then comes the fourth Article : here we get on to more doubtful ground and we are at the most critical and important point, the effect of the Pact on the law of neutrality. The Article says that in the event of a violation of the Pact by a resort to armed force or war by one signatory State against another, the other signatory State may, without thereby committing a breach of the Pact or of any rule of international law, do all or any of the following things :

- a. Refuse to admit the exercise by the State violating the Pact of belligerent rights, such as visit and search or blockade, etc.
- b. Decline to observe towards the State violating the Pact the duties prescribed by international law, apart from the Pact, for a neutral in relation to a belligerent.
- c. Supply the State attacked with financial or material assistance, including munitions of war.
- d. Assist with armed force the State attacked.

This is to say that the Briand-Kellogg Pact is interpreted as implying that the old obligations of neutrality cannot be insisted upon as against another signatory State by a signatory State which has violated the Pact.

The State which has violated the Pact by resorting to war cannot complain if it is not recognised as entitled to exercise, as against some other signatory, the rights of a belligerent. "You the wrong-doer," is what one may suppose the signatory State, the third party, to say, "you may not search my ships because you are a belligerent who in relation to myself have no right to be engaged in war at all. Your entry into the war was contrary to the Pact which you made with me, and you have no right to insist that I should treat you as if you were lawfully and properly at war. You cannot enforce against me the active rights of a belligerent."

The next paragraph of this Article states the converse of this proposition. A signatory State, we are told, may decline to fulfil towards a State violating the Pact the duties prescribed by international law, apart from the Pact, for a neutral in relation to a belligerent. "You, the State that has violated your Pact with me, you cannot complain if, for example, I allow enemy aeroplanes to fly over my territory to attack you. You cannot complain if a cruiser, an *Alabama*, is fitted out in one of my ports. You cannot enforce against me the observance of the duties of a neutral."

The third branch of the Article gives illustrations of the action contrary to the older law of neutrality which is open to the third State: a State, signatory to the Pact, may supply a State attacked with financial or material assistance, including munitions of war. Let us only note in passing that there may be another justification for this in the Convention for Financial Assistance to which already many States are parties.

Observe that all these things are stated as options to, and not as obligations on, the non-belligerent State which is a signatory of the Pact. There is no suggestion in the Articles of the International Law Association that the third State is bound to take such action. The third State has to make up its mind as to whether or not one of the belligerents has violated the Pact; when it has made up its mind, all that the Budapest Articles affirm is that it is then open to it to consider itself free from the obligations of neutrality. It can inspire its action by the principle of Grotius. In practice it is hardly likely to take action except after consultation with other interested States.

The Budapest Articles go a little further than an assertion of a right to discriminate in the treatment of the two belligerents; the last paragraph of the fourth Article says that it is open to a signatory State to assist with armed force the State attacked. I feel some difficulty about that. One can see the logical justification for it; if the aggressor State is no longer protected by the Pact, it cannot complain of a declaration of war; but I cannot help thinking that if one looks at the Pact broadly, and attaches primary importance to its overriding purpose and spirit, one must agree that it would be a violation of the Pact for a signatory State to seek to settle a dispute with another signatory by an immediate resort to war. It would be more in accordance with the spirit of the Pact if the third State in the first instance contented itself with not observing the rules of neutrality, and did not at once rush into the use of armed force against the violator.

This fourth Article then is the most important of the Budapest Articles and it is the one which has given rise to the sharpest difference of opinion.

There are other Articles. Signatory States are said not to be entitled to recognise as acquired *de jure* any territorial or other advantages acquired *de facto* by means of a violation of the Pact. My own particular heresy on this point is that I am not at all sure how far recognition *de jure* is a very workable method of procedure in these cases; is not a refusal to recognise an accomplished fact often an excuse for avoiding action in a difficult state of affairs instead of seeking real remedy for the evil? In any case it seems difficult to insist upon a positive duty not to recognise. For how long is the duty to continue?

Then a violating State is liable to pay compensation for all damage caused by a violation of the Pact to any signatory State or its nationals. This Article will not give rise to much dispute, though our experience of the recovery of damages from a State which we held to have violated international obligations does not encourage us to hope for great results.

Lastly, there is a declaration that the Pact does not affect such humanitarian obligations as are contained in general treaties such as the Hague Conventions of 1899 and 1907, the Geneva Conventions of 1864, 1906 and 1929, and the International Convention relating to the Treatment of Prisoners of War of 1929. This is surely an Article which must be read with the naked eye and rapidly rather than examined with the microscope. It is intended as a reminder that non-observance of neutral

duties must not be used as a charter for conduct which could fairly be blamed as being contrary to the ordinary humanitarian duties enshrined in international practice and international law.

What then is the basis—to come back to the fourth Article—upon which this somewhat revolutionary right of the signatory State to declare itself free from the obligation of neutrality is claimed? The justification must be sought by the argument that the Pact has by implication returned to the Grotian distinction between the just and the unjust war. A war resorted to in violation of the Pact cannot be treated as justifying the claim—a claim which would result from a “just war,” to at least to the observance of impartiality by the States signatory of the Pact.

It may be argued that on this showing the Pact has changed the law in a manner not contemplated by the signatories; and indeed it must be admitted that it may well be that some or most of the signatories did not realise that such a change was the necessary consequence of their action. But in truth and logic the old law, it will be answered, cannot subsist side by side with the new; you cannot give full effect to the Pact and combine it with a rigid observation of the older law of neutrality. The signatories must be taken to have intended the necessary consequences of their own acts.

If now I am asked whether, on this great question of neutrality, I should approve of these Articles if I were a judge, I would first ask that the matter should be looked at from a practical standpoint and that it should be considered in what conditions the point would arise for decision. The hypothesis is that one Power breaks the Pact and attacks another, and then a third Power signatory to the Pact does such things as to supply the attacked Power with munitions from government factories, convoy its own ships laden with those munitions, and protect them against seizure by the aggressor Power. (Let us note in passing that this third Power is unlikely to take such action except after consultation with other Powers.) And suppose at the end of the war (for this is how the point would come to be tested) the aggressor Power sued the Power which had taken the view that it was at liberty to disregard its duties of neutrality, and brought against it the same sort of claim that the Americans brought against Great Britain in connection with the *Alabama* affair; what would be likely to be the decision of an International Court? We are here in the realm of prophecy and we

cannot tell who the judges would be; I will merely say that I think there would be a good chance that an International Court would take much the same view that has been taken by the International Law Association, it would say that the wrongdoer had no authority to invoke the protection of law against a Power in relation to which it had itself violated the solemn obligation contained in the Briand-Kellogg Pact. If I am asked to give a further argument in support of such a prophecy as to the decision which an International Court might take, I may pray in aid the recent declaration <sup>1</sup> of the American Secretary of State, Mr. Hull, speaking at the annual dinner of the Canadian Society of New York in the presence of the Canadian Prime Minister. Mr. Hull told his audience that the "four pillars of a sound peace structure" were,

"first, renunciation of war as an instrument of national policy; second, the promise of non-aggression; third, consultation in the event of a threat to peace, and fourth, non-intervention on our part with such measures of restraint as may be brought against a deliberate violation of peace."

Well, that is a considerable development of American policies, though it is not the first time such things have been said by an American Secretary of State, and if the United States is prepared, in carrying out the policy of the Briand-Kellogg Pact, to consult with other signatory Powers and to act on the result of the consultation in such a way as to waive some of its most cherished traditions in relation to maritime warfare, there is a spirit abroad in the world which would be likely to bring a decision of an International Court to the support of that optional abandonment of the strict duties of neutrality, declared by the Budapest Articles to be a legitimate consequence of that Pact. It is well not to be over-sanguine, but at any rate we need not be pessimistic.

One further point remains: the Articles, as we have already seen, treat the Pact of Paris as prohibiting a recourse not merely to war but also to "armed force," for the solution of international disputes. This is an important matter, and the view taken in the Articles has not been exempt from weighty criticism.

But on a broad view, interpreting the Pact on the liberal lines appropriate to the understanding of such an instrument, the Articles seem to me on this point to be justified. The Pact tells us that changes in international relations "should be sought only by pacific means and be the result of a peaceful and orderly process," "the settlement or solution of all disputes or con-

<sup>1</sup> See *The Times* of February 18th, 1935.

flicts . . . shall never be sought except by pacific means." Does the expression "pacific means" include all proceedings, however violent they may be and though they involve the use of armed force, subject only to the limitation that no state of "war" exists, in the full sense of an armed conflict recognised by both parties as belligerency and involving neutrality by third Powers? To answer "yes," with the recollection of what happened in the recent Sino-Japanese conflict, is surely to do violence to common sense and to give to the Pact an interpretation revolting to the feelings of the ordinary man. It is important in this connection that the other general organisation of international lawyers—the Institute of International Law—at its meeting last October in Paris approved the exclusion of the use of armed force from legitimate reprisals; even if this was done "*de lege ferenda*" the resolution is itself evidence of the way in which "*la conscience juridique de l'humanité*" regards the use of force in international relations even when it falls short of formal "war."

What then is the conclusion of the whole matter? I will venture to state it in this way: a strong current of civilised opinion is seeking the organisation of a collective system for the suppression of war; this opinion has for one of its manifestations the Pact of Paris. A bold interpretation of the language and spirit of that Pact finds that its observance is inconsistent with the maintenance of the older doctrine of neutrality in all its branches. Such an interpretation has been given by the Budapest Articles. There is a reasonable chance that if the matter were ever tested in an International Court the Budapest Articles or at any rate the more important among them would be upheld.

#### *Summary of Discussion.*

MR. WYNDHAM BEWES said that there was very little difference of opinion between himself and Sir John Fischer Williams, and he wanted to support in general terms and on general grounds the Articles which the International Law Association had prepared. There were a few preliminary remarks which it might be useful to make. The first was that the Briand-Kellogg Pact was not a document which was precisised by the use of technical terms. It was in popular language and as such must be interpreted. As Grotius said,

"If there is no implication which suggests a different conclusion, words are to be understood in their natural sense . . . according to current usage."<sup>1</sup>

It was agreed that the whole object of interpretation was to carry

<sup>1</sup> Chap. XVI. 275.

out the intention of the parties—in the case before them the abolition of war as an instrument of national policy.

In the second place it was to be noted that the interpretation of any document might be broad or narrow and that was chiefly to be regulated by the purpose of the instrument in all cases of doubt. Thus, it was a recognised principle that instruments restrictive of liberty must be construed in the narrow sense, while those which enlarged liberty or removed grievances demanded the larger treatment. He suggested that the Briand-Kellogg Pact was of the latter class and that it must be construed generously, so as to secure that its purpose was attained so far as possible by the elimination of war, and the maintenance of a war-less world. The recognised maxim there applicable was "*Ut res magis valeat quam pereat.*"

Grotius divided promises into favourable, odious, mixed and median :

"Those promises [he said] are favourable which are made on a basis of equality and promote the common advantage. The greater and more extended this advantage is, the greater the favourableness of the promise: this then is greater in promises that contribute to peace than in those that contribute to war."

It should also be remembered that international law, or international morality, was a bigger thing than what was called morality in the civil life of individuals, which included such elements as could not be directly enforced by the courts in the form of positive law.

International law was stereotyped international morality and demanded a generous interpretation to the end that that morality should be realised in its enforcement. It was this principle, to a large extent unknown in ordinary civil life, that commended itself in its application to concrete cases as might be seen, he thought, in certain judgments of the Permanent Court of International Justice and perhaps also some of those of the Supreme Court of the United States.

So in order duly to construe the Pact it was necessary to consider the world as a war-less world which it was the duty of all signatory States to maintain in that essential condition. It was a new world—one to which people were only slowly adapting their thought—but one which restricted the autonomy of the signatory States which had combined to produce that condition. It was the consideration of that governing principle that justified the interpretative Articles which were directed to show in some exemplary instances the necessary implications which evolved from the status of the new world and from the Pact which had brought it about.

"No man putteth new wine into old bottles, else the new wine will burst the bottles and be spilled and the bottles shall perish.

But new wine must be put into new bottles, and both are preserved."<sup>1</sup>

Without going through each of the Articles one might well take No. 3 as an example of some others. "A signatory State which

<sup>1</sup> Luke v. 37.

aids a violating State thereby itself violates the Pact." State A violated the Pact by declaring war against State B. State C supplied State A with munitions of war knowing of the condition of war between A and B. Two grounds existed for condemning C. First she had made herself an accessory to the offence of A, and secondly she had put herself into the position of being an enemy of B without saying so. It was a just cause for a declaration of war by B against C. Grotius said in Book III, chap. i. v. :

" 1. But there often arises this question, What is permissible against those who are not enemies, or do not want to be called enemies, but who furnish our enemies with supplies? . . .

2. First, we must make distinctions with reference to the things supplied. There are some things, such as weapons, which are useful only in war. Others which are of no use in war . . . and others still which are of use both in time of war and at other times. . . .

Regarding the first class of things, the saying of Amalasuntha to Justinian holds true, that he who supplies an enemy with things necessary for warfare is on the side of the enemy."

The wider and probably also the narrower interpretation of the Pact condemned C also as a violator.

In the condition of the world as altered by the Pact that help given to a violator was quite inconsistent with a frank renunciation of war and with the solution of disputes by pacific means only, and the satisfaction of financial greed only aggravated the offence.

LORD IDDESLEIGH said that they had so far discussed the Articles from a purely judicial point of view, but there was another point of view which deserved to be considered, and that was the political problem of whether it would or would not be desirable for the British Government, either then or at some future time, to declare its adhesion to the Articles.

It was obvious from what had been said that the Government was by no means compelled to adopt those particular interpretations. They had been justly described as liberal interpretations, which meant that they did not strictly or inevitably follow from the terms of the Kellogg Pact which had been signed. He wanted to suggest certain doubts about the wisdom of recognising Article 4 and especially Article 4(a), by which it was permitted to any signatory State to refuse to admit the exercise by the State violating the Pact of belligerent rights, such as visit and search or blockade, etc.

That Article above all others seemed to him fraught with the utmost peril to world peace. It had been pointed out that it was an optional Article, but was there not a great danger that if an actual war broke out great pressure would be brought to bear upon the Government of Great Britain to exercise its rights under that optional clause? Suppose countries A and B were drawn into conflict over some territory. When that happened the possibility might be envisaged that A would be adjudged to be the aggressor by the League of Nations, by popular opinion, or by some other tribunal. Suppose



then that a large section of opinion in Great Britain urged the British Government to take every possible step to show its reprobation and horror of A's action and to take advantage of that interpretation of the Briand-Kellogg Pact. What was going to happen? Suppose that A were blockading a port and Great Britain instructed her merchant skippers that she did not admit any right of search on the part of A's naval officers. Sir John Fischer Williams had said that A could not complain if Great Britain refused to admit that right, but he thought that they would complain and would put a shot across the bows of the merchant ship, and would send their officers on board and insist on searching, and, if the merchant ship were foolish enough to stick to its point, he thought that she would be sunk. Surely in that situation there would be a great risk that Great Britain would be involved in war with A within a few weeks. The right attitude to adopt in that case might be to say that although Great Britain did not recognise the right of A to do what she was doing, yet that she proposed to sit down under it in practice. He did not think Great Britain would be likely to adopt that attitude, but that she would send stronger and stronger notes to A and that finally she would be brought to a state of war. He thought these points deserved some consideration and some answer and would be exceedingly grateful if Sir John Fischer Williams would deal with them.

DR. LAUTERPACHT said that he certainly did not disagree with Sir John about the necessity of providing a legal interpretation of the Pact which, so far as jurists could legitimately do it, would make the Pact more effective. But he did not always agree about the method. The most conspicuous thing about the Pact was the very wide divergency of views which one might quite legitimately hold about its legal effect. On the one hand there was no doubt that the Pact had effected a fundamental change in international law. Prior to the signature of the Briand-Kellogg Pact war was an instrument not only for giving effect to international law, but also for changing the law. This had indisputably been changed. On the other hand, it had been widely held that the legal results of the Pact were next to nothing.

He did not approve of the American lawyer who held the view that the Kellogg Pact sanctioned all wars, but it was difficult to deny that it was possible for a State to go to what was actually war without having disregarded the terms of the Treaty. It had also been widely held that it was possible for a State to remain neutral in wars undertaken contrary to the Pact without having disregarded the effect of the Pact in law or in spirit.

It would appear that the signatories of the Pact had consciously and deliberately refrained from drawing from the Pact the consequences which the International Law Association and other lawyers had attempted to draw. To say this was not to suggest a quibbling interpretation of the Pact. It was not a case of quibbling and he would like to modify the approval which had been given in this connection

to the dictum of Lord Sumner in the case of the *Blonde*. In that case it was suggested that a Hague Convention of great importance was not binding for the reason that a small State, Serbia, was not a party to it. He thought that was a case of quibbling about a very minor point.

But the position in regard to the Pact was that the signatory States had refused to draw certain legal conclusions from it. It was not that they forgot about neutrality. Neutrality had been a theme of constant discussion in the years which preceded the conclusion of the Pact. They did not forget about these possible consequences of the Pact, but refused to accept them. He thought it was a fair question to ask whether the signatory States would have signed the Pact if they had realised that doing so involved an express acceptance of the provisions evolved by the interpretation of the International Law Association.

He would be the last to deny the influence of a judge but he did not think that any judge would openly say that he was changing the law. He suggested that there was a limit to drawing logical conclusions from a Treaty which States had signed. International Law was not a logical system. It admitted war which was in direct contradiction to any system of law within a State. He thought, therefore, there must be some limit to the drawing of conclusions which States themselves had refrained from drawing. This was particularly so with regard to neutrality. It had been suggested that the Treaty deprived a signatory State which went to war in violation of the Pact of the benefits of the Pact, and that clearly if it was allowable to go to war with that State it was allowable to inflict on it a minor evil by denying to it the rights of neutrality. But this was a contention which could not be supported without reservation. A State which went to war against the provisions of the Briand-Kellogg Pact did not become a State having no rights at all. Also it was not quite satisfactory to say that as the third State was entitled to go to war, it was at least entitled to break the duties of neutrality without going to war. This was not so. A State which merely disregarded the duties of neutrality incurred no risks at all, while by going to war it risked its very existence.

With regard to the reliance placed by Sir John on the remarks of the American Secretary of State, he thought the time had come in which they must treat pronouncements of American Secretaries of State with some caution. Recent experience had shown that even in matters in which the United States were not expected to undertake any obligation but merely to make a gesture they might be reluctant to break with a cherished tradition of isolation.

He wished to dispel any misunderstanding that the caution he was suggesting was contrary to the interests of the Briand-Kellogg Pact. He thought it might be the duty of lawyers and others not to create an impression that instruments possessed certain effects which in the opinion of the government they did not possess. The

good-will of lawyers could not in itself create such effects. He sincerely hoped that the judges in future of the Permanent Court of International Justice would be of the same mind as Sir John, but even then there would arise the question as to what attitude would be adopted by States if they arrived at the conclusion that judges had changed the law instead of applying it. He did not think it was always in the best interests of peace to foster the impression that certain changes which were desirable had already taken effect.

DR. G. G. COULTON referred to the last speaker's remark that it was dangerous to create an impression that instruments possessed certain effects which in fact they did not possess and that it was not in the best interests of peace to make people believe so and so. As a teacher of history he would like to suggest to Sir John Fischer Williams that it was not so much that we had *revived* the idea of collectivism in the world, as that the intelligentsia had always had the idea, which broke down even in the Middle Ages. Although it had been claimed that one language (Latin) and one religion prevented people from having a national outlook, there was, in fact, strong nationalism in the universities, in the crusades and even in the monasteries. Marsilius of Padua in 1320 and Machiavelli in 1520 had both said that Europe was full of wars because what was supposed to prevent war, the central authority, was the main cause of war. People had then given up for a time the old idea of centralisation, and had been obliged gradually to recognise nations claiming separate sovereignty; so that the actual problem was how to balance these nations against each other. Ideas by themselves were not sufficient. Something was wanted at the back of ideas; and it was not to abolish force that people were striving. They had given up the delusion that force was of no significance in the world. The idea was not to abolish it but, as far as possible, to apply forces against each other. The idea of the balance of power in Europe had been given up, as being practically an attempt to balance gunmen against each other. The modern aim was to get a balance of force through some sort of international police; and there could not be any international police unless each nation had sufficient potential force to turn it into actual force against an aggressor, and unless they were determined to do so.

If it was really true that a document like the Briand-Kellogg Pact which these international lawyers had attempted to interpret, provided no security; if it was really true that a nation could still commit the worst injustices without breaking the letter or spirit of this Pact; if that was really good legal interpretation, then it was necessary to get rid not only of war but of the lawyers. Behind the law there must be realities, and one of the most important realities was that those who had no temptation to break the law should be strengthened, and those who had temptation to break the law should be powerless.

ADMIRAL DRURY LOWE asked whether the preamble to the Briand-Kellogg Pact was binding on the nations which had signed or ratified

the Treaty. The words he referred to particularly, were those stating that any signatory Power which should thereafter seek to promote its national interests by resort to war should be denied the benefits furnished by the Treaty.

DR. MAXWELL GARNETT said that Dr. Lauterpacht had seemed to attach insufficient importance to the statements by Mr. Hull, and before that by Mr. Norman Davis and before that by Mr. Stimson. In spite of the fact that the consent and approval of the Senate might not be forthcoming, those pronouncements were of great importance. When Mr. Norman Davis or Mr. Hull said that the President of the United States was prepared to consult with other Powers in certain circumstances, was it not true that the President could do so without waiting for any authority from the Senate? When it was said that in certain circumstances the President would refuse to exercise neutral rights, surely again the President could do so. If these things were true, was it not very important for the immediate future of the world that we should take every notice of them? It mattered very little that we could not get a sufficient majority to make the United States adhere to the World Court, provided they cooperated in the collective system.

He thought that it would tend to deter country A from aggression if she knew that Great Britain were going to interpret the Briand-Kellogg Pact after the manner of the Budapest Articles, and that she would find every State which was a member of the League, or at least every State which had signed the Briand-Kellogg Pact, lined up against her.

He wanted to ask Sir John a question about what Dr. Lauterpacht had suggested, that the Budapest interpretations could not be right, because if they were right the parties to the Pact would themselves have drawn those conclusions. He would have thought that it was for Courts of International Law ultimately to draw conclusions and that, in the meanwhile, there was no need to suppose that the conclusions of the International Law Association were illegitimate.

SIR JOHN FISCHER WILLIAMS, in reply, said that he would like to say one word on the question of the Senate and President of the United States. The Senate was only involved when it was a question of making a treaty, and then, by the curious provision of the United States Constitution, a two-thirds majority was necessary. In the conduct of policy it was the President who counted and it was justifiable to assume that a Secretary of State spoke the mind of the President when he made a declaration of importance.

It was a great pleasure to find Dr. Lauterpacht was so nearly in agreement with himself, but there was one thing which he had said with reference to the danger of lawyers speaking beyond the intentions of States as to which he would like to say a word. Dr. Lauterpacht had suggested that there was a danger of getting a decision of a Court with which States would refuse to comply. He

did not himself think it would work in that way. The matter would come before a Court after the refusal, in a war, of some third State to observe the duties of neutrality, and there would be a case in the nature of the *Alabama* case, an action before the appropriate tribunal against the State which had not observed neutrality asking that damages should be assessed. If the Court dismissed the action, that would be an end of it. The aggrieved State might brush aside that decision, but the only possible thing it could do would be to declare war, and the very fact that it had submitted the question to a tribunal would make it very unlikely that it would then declare a new war.

He knew Lord Idlesleigh thought him a hopelessly unpractical person. He was supposed to have said that the naval officers of country A could not stop a British ship. Of course they could. But if they came before a Court, A might be told that she had no right to stop a British ship. He quite appreciated that no British Government should rush in hastily and declare that it accepted the Articles. If there were general agreement, well and good, but there were many arguments against a unilateral declaration by Great Britain.

Admiral Drury Lowe had asked as to the validity of the preamble, and particularly that clause in the preamble that any signatory Power which should seek to promote its national interests by resort to war should be denied the benefits furnished by the Treaty. It was rather a delicate thing to explain exactly the importance of a preamble. The preamble to a contract was not itself part of the contract, but was usually used to explain the reasons for entering into the contract. But the reasons might be given in such a form that they showed that the parties' understanding of the law was such and such, and he thought that this was the case here. When sixty-three Powers of the world combined to declare that such was their understanding of international law it was an intimation that such was the law.

The real matter which would fall possibly to be decided either by a duly constituted legal court or by the general drift of human opinion was how far it was possible to organise something in the nature of a collective system. In the Roman Empire there had been something in the nature of a collective system in force. The tendency towards a collective system was one of the most powerful if not the most powerful element in the existing international system, and the Briand-Kellogg Pact was an indication of a move in that direction. How far it went might be open to dispute, but it might go a considerable way.

He felt inclined to challenge Dr. Lauterpacht when he suggested that the proper way for a court to look at the question of interpretation was to consider what the parties, when they signed or ratified the Treaty, would have thought of the proposed articles of interpretation—the suggestion being that they would have drawn back in horror at such an innovation. He was not convinced that this was the way to put the question. One must assume that the parties intended the natural consequences of their acts; he was not at all

sure that a State any more than a man was entitled to get out of a contract because it might afterwards find that it had not rightly reckoned up all the consequences. A man might not have meant to go so far, but the answer was that he had in fact gone so far. If it had been pointed out to a signatory what the consequences of the Pact were, he might have jumped one way or another. But to ask which way he would have jumped was not a relevant question.

It was necessary to take the provisions of the Pact as an embodiment of tendencies and principles, as foundations, and build on them. They should be treated in the broad spirit in which Lord Sumner treated the Hague Convention. Another very eminent judge had treated that particular Hague Convention in a different way, so that there were two very eminent lawyers drawing contrary conclusions from the same instrument and the same facts. The Pact at most gave options and did not impose duties. It might well be that a time would come when those options might be used in the direction of attacking war on the broad basis of the feeling that it had become incompatible with civilisation; not rashly, but as and when an appropriate opportunity arose, it might be possible to give effect to that conviction by the political action of Great Britain.

THE CHAIRMAN, LORD HOWARD, said that as a practical man he felt that it did not much matter what words were used if they were really leading to some collective system that would maintain peace.

He agreed that to make them effective, acceptance of the Budapest Articles of Interpretation must be almost universal and that Great Britain should not make a public act binding herself to enforce them until she was sure that she would be able to enforce them.

He did not quite agree with all that Sir John had said about the position of the President of the United States. Although the President and Secretary of State might say in that particular case that they would carry out the view that the signatories of the Briand-Kellogg Pact were absolved from the ordinary duties of neutrality, there was no guarantee that the President would be there two years hence, and that this would be the view of his successors. It was essential that his statement should be endorsed in some way by the action of the Senate. In order to be quite sure of the future it was necessary to wait until the President and Senate were in agreement on a point of that sort and embodied that agreement in a Treaty or Protocol. To that extent he was in agreement with Dr. Lauterpacht.

But the fact that two Secretaries of State, Mr. Stimson and Mr. Hull, had suggested that war could be truly outlawed (not only as Senator Borah did, who afterwards said that America would always fight for the freedom of the seas) gave one a very good idea of the drift of public opinion in the United States. It was moving more rapidly in the direction of collective action than it had been five years ago, and he would not be surprised to find that it was moving in that direction even in the Middle West.

## PALESTINE'S PROGRESS AND PROBLEMS <sup>1</sup>

By PROFESSOR NORMAN BENTWICH, M.C., O.B.E.

I WAS in Palestine this winter after an absence of nearly two years. During that time there had been remarkable change in the country, remarkable even in the modern annals of Palestine, which since the British Occupation has been developing at an amazing rate of progress. I make no apology for mentioning the Jewish development first; since that is the outstanding feature.

The progress appears at first sight to be mainly material, and it has been said that during the last few years the Jewish National Home has materialised. But inevitably the first appearances of change are material: other changes take longer to work out. The growth of population, particularly of Jewish population, has been extraordinary. The census of 1931 gave a Jewish figure of 175,000 in a total of 1,050,000, or about one-sixth. That enumeration indicated an unparalleled increase by over one-third during the nine years which had intervened since a first census was taken by the British Administration: the Jewish population had more than doubled, mainly owing to immigration; the absolute increase of the Arab population by natural fertility was nearly double that of the Jews. But since 1931 the movement has been still more rapid. The Jewish population has been increased, by 75 per cent. and more, to over 300,000, about a quarter of the whole; and the rate of increase, which was higher in 1934 than in 1933, promises to be higher again in 1935. It is not generally recognised that the whole of the immigration is not controlled as to quantity by the Government, but only that part which consists of persons entering as workers without capital. For this class the Government draws up every six months a Labour Schedule indicating the number of persons of different categories who could be absorbed in employment. The quota, or, as it is called, the Eacop—that is, the economic absorptive capacity of Palestine—is translated into certificates which are distributed through the Jewish Agency among the tens of thousands waiting for the chance of entering the Promised Land.

<sup>1</sup> An address given at Chatham House on March 7th, 1935, with Sir Andrew McFaydean in the Chair.

The Jewish Agency gives a guarantee to the Government that the immigrant will not be a charge on public funds for a year. The Eacop has been rising; and for the current six months was fixed at 9500. But from this total the Government reserved some 2000 certificates to cover cases of persons entering the country as tourists and then deciding not to use their return tickets but to stay as residents. That form of immigration, sometimes carried out without compliance with the Government regulations, and another less licit form of gate-crashing by persons who had no visa at all but were smuggled over the sea or land frontiers, reached serious proportions in the first half of 1934. They have both been substantially checked.

The growth of population has been marked particularly in the urban areas, and most of all in the three chief towns, Jerusalem, the twin city Jaffa-cum-Tel Aviv, and Haifa. Both Jerusalem and Tel Aviv have now passed the 100,000 mark and have overflowed their old banks, so to say, for miles. For Jerusalem the expansion is not so incalculable. It was a metropolis in former ages and, until the discovery of America, was marked as the centre of the world in all the ancient maps. It had a population of some 60,000 before the War, and is growing rapidly but not sensationally. It is still, above all, a city of institutions, of mosques and synagogues, churches and convents, of charitable and government offices, of universities, seminaries and schools. It will probably expand faster when the water supply, which is at long last being laid from the Auja Springs near Jaffa, is working, as is promised this summer, and the inhabitants may take baths without stint.

Tel Aviv grows more sensationally. Two years ago it celebrated the twenty-fifth anniversary of its first building, and it was only a little garden suburb of Jaffa, with possibly 2000 inhabitants, at the time of the British Occupation. It became a township in 1922, and in the first period of large Jewish immigration rose suddenly to a town of 40,000. There was then a temporary set-back, and the sceptics talked of the city built on sand dunes. The enterprise of its citizens and of the unceasing immigrants has refuted the sceptics, and it has become the largest city in the land, more populous than Jerusalem, nearly twice as populous as its parent-city, Jaffa.

Haifa grows in more orderly measure, conscious perhaps that time is with it, and that it must before long become one of the great commercial and industrial centres of the Middle East. The population of the city has doubled in recent years, but is still some way below the size and numbers of Jerusalem and Tel Aviv.



The opening in 1933 of the harbour, which is already too small for immediate needs and is to be extended forthwith—it is difficult to think largely enough in Palestine—the completion of the pipe-line bringing oil from 'Iraq by the longest subterranean tube in the world and the prospect of the building of an oil refinery in the Bay of Haifa, and, lastly, the new German immigration which is centring its enterprise in the neighbourhood of Haifa and planting industry on a large scale on what were the Kishon Marshes, assure to Haifa a steady expansion.

The growth of the urban population is not, indeed, an unmixed blessing for the Jewish National Home. It has not been matched by a parallel growth of the Jewish rural population. The Report on the census of 1931 by Mr. Mills, the Commissioner for Immigration, that Book of Numbers of modern Palestine, showed a hopeful growth, not only absolutely but relatively, of the Jewish rural population—between 1922 and 1931 the numbers had risen from 18,000 to nearly 50,000, and the proportion from 18 per cent. to 26 per cent. That appeared to indicate that the Jewish movement "back to the land" was gaining impetus. The figures of recent months, since the phenomenal immigration, are less satisfactory. The Jewish rural population has increased somewhat in numbers, but the proportion to the urban population has descended steeply. It is calculated that it has dropped to 15 per cent.; and even that may be a flattering figure, because certain areas still counted as rural in the outskirts of Tel Aviv are rapidly becoming industrial. The number of Jewish agricultural labourers has, too, actually diminished in spite of a very substantial increase of the area of Jewish plantations. The cause of the rural decline and the "back to the town" movement is simple; it is the abnormal rise of wages in the towns, and the serious under-employment, particularly in the building trade, during the last two years of incessant flow of population and capital. The Government, in its fear of a crisis in the future, restricted the Labour Schedule narrowly, with the result that it produced a labour crisis in the present. The wages of Jewish unskilled labour, which were regarded as high previously in the standards of the Middle East, nearly doubled; the wages of skilled labour approached £1 a day. The skilled tradesman has become the aristocrat. The story is told of a marriage broker who offered the parents of a young woman with a dowry of £1000 first a doctor and then a lawyer. The parents rejected the offers, and the irate broker exclaimed: "Perhaps you expect a plasterer for your miserable £1000."

Jewish agricultural development, indeed, moves forward in

spite of the relatively static figures of the rural population. The areas planted with citrus groves, now the principal product of Palestine, have been doubled. The export of oranges goes up by 1,000,000 cases a year, and will soon go up by 2,000,000 cases when the areas planted since 1932 reach their period of full bearing. And the farming population in the Plain of Esdraelon, which was declared in 1928 to be excessive by a Commission of Experts—one of the many which Palestine has endured with little more profit than expert witnesses are to the law courts—has doubled. Nevertheless, the difficulty of acquiring fresh land for settlement, and the irresistible temptation of the high wages in the towns to that part of Jewish labour which has not a settled home in the villages, have led to this intenser urbanisation of the Jewish immigrant population and to a replacement of Jewish labour in the plantations by Arab labour. Projects of reclamation and settlement, which are about to be realised, will give fresh stimulus to Jewish colonisation. The Huleh Marsh, an area of nearly 50,000 Dunams in N. Galilee, which has been hitherto a malarial swamp and the object of a Turkish pre-War concession that, like most of the kind, was rather an opportunity for bargaining than for constructive work, has at last been disposed of by the Syrian holders to a Jewish group. The work of reclamation is to be undertaken immediately. It will provide not only a fertile and pestless land for the Arabs who are now cultivating a part of it, but, it is believed, a place of permanent settlement for some two or three thousand Jewish smallholders. There are, too, plans of closer settlement in the south, the dry Negeb land which is to-day very sparsely populated. The exploration of new water resources is enabling the country to accommodate a rural population with a decent scale of life two or three times as great as that which eked out a poor existence prior to the British Occupation.

Apart from the growth of population, the figures of material progress during recent years are striking from many aspects. Looking first at Government finance, the customs revenue, which in 1931 had reached what seemed to be the very high figure of £1,000,000, is now approaching an annual return of £3,000,000. The value of imports, which was then some £7,000,000, is now estimated at £15,000,000. The Government surplus of revenue over expenditure goes bounding up. By the end of 1934 it exceeded £4,000,000, which represents well over a year's expenditure. A prudent Treasury is holding that surplus as a kind of reserve fund against a depression which is often prophesied but so far has not come. A still prudent but more hopeful Treasury

is this year planning to use £1,500,000 out of an expected revenue of £5,000,000 for capital expenditure, for expanding the railways and harbour, for new government buildings, and so forth. The figures of the Palestine currency show a corresponding progression. When first issued in 1929 the values of the notes and the coin in circulation were about £1,750,000 : they have risen to-day to over £4,000,000.

If we turn to private finance we may take as an index the figures of the importation of capital. In 1932, the year before the flood of prosperity, the investment of capital was estimated at £3,000,000, in 1933 it had grown to £7,000,000, in 1934 to £10,000,000. The difficulty to-day is to find an outlet for all the capital which is being poured into a country which offers British security without British income tax. But there has already been a notable establishment of industries large and small in the country. While most of the raw material has to be imported, Palestine now manufactures a remarkable variety of articles for its own needs. Two of the major industrial undertakings of the period before the deluge, the Palestine Electricity Corporation which generates hydro-electric power from the waters of the Jordan and the Yarmuk, and the Palestine Potash Company, which is extracting the inexhaustible chemical wealth from the Dead Sea, have recently made increases in their plant and works, and issued their flotations on the general money market. The largest factory which makes cement for buildings has also doubled its plant, and even so cannot keep pace with the demand. Factories for every form of production are springing up in Haifa, Tel Aviv and new industrial centres. Among them is a flourishing concern for the manufacture of artificial teeth—mainly, I may say, for export.

A calculation has been made of the distribution of Jewish investment in 1934. Building in the towns accounted for £4,500,000; in the villages for another £1,000,000. Plantations absorbed £1,600,000 nearly evenly divided between old and new groves; mixed farming, some £250,000; industry and workshops, £1,000,000; transport, £500,000. The total investment, without reckoning the cost of land and of public works, was £8,750,000, and those excepted items certainly amounted to another £1,500,000. Besides the money invested, large sums remain on deposit in the banks, awaiting a tempting opportunity.

Palestine, with its harbour, the third largest in the Eastern Mediterranean, its railway connection linking Europe, Asia and Africa, its Imperial Air Routes both English and Dutch, which,

in a few years, will bring London and Jerusalem within a day's flight, its trans-desert motor-ways that revive the trade routes of the ancient world, is again one of the centres of commerce in the Orient. God, it is said, has made geography but once; and though the stagnating rule of the Turks contrived to take Palestine for three hundred and fifty years out of the world's highways, the combination of British administration with Jewish enterprise has brought her back to those highways in fifteen years.

Palestine has come into the city of London with a rush, and the City is now finding its way to Palestine. The recent issue of shares in London by the Palestine Electricity Corporation was immediately over-subscribed. Financial and other papers have devoted to the progress of Palestine special supplements, and the most striking mark of financial coming-of-age has been the grant of a loan of £500,000 by one of the big English banks to the Foundation Fund of the Zionist Organisation at a rate of interest of 4 per cent. That rate compares flatteringly with the rate of the Japanese Government loan at 6 per cent. and of the Austrian Government Loan at 8½ per cent. It compares the more flatteringly because the security for the service of the loan is the annual voluntary contribution—the honour and credit—of the Jewish people. There is no mortgage of real property and no pledging of any government revenue.

The most dramatic factor in this progress has been the coming of the German Jews. They cannot be called refugees because they feel that they are coming home, and the Palestine language speaks of them as an "Aliya" or homecoming. The number from Germany who have entered since the Hitler persecution started in March 1933 is about 20,000: it comes at the rate of nearly 1000 a month. In figures it is still far less than the Polish immigration, which has been the principal source of supply since the Mandate opened the country for the Jewish return, but the German proportion of the total immigration is now between one-third and one-quarter. It is, however, more important in its quality than in its quantity. In the first place, it includes an exceptional proportion of persons entering with capital, or, as they are optimistically called in the Palestine Immigration Regulations, persons of independent means. They must have a capital of at least £1000, and on the average they have £2000: they numbered over 3000 in each of the last two years. Beyond their money many of them bring experience, method and science, and they take the lead in founding fresh enterprises. Secondly, the German element includes a number of young men and women

who belong to the pioneer organisation, the Halutz, which is representative of the renascent Jewish people. Some thousands of them have prepared for manual work, for life on the soil or in the factory, by a year of training before they come. A thousand or more are undergoing their training in the villages and communal settlements of Palestine itself. Some hundreds of the younger boys and girls have been brought to the country to finish their school education and begin their practical training in a free atmosphere, and to be integrated more fully into the life of the settlement while they are young.

The pioneer element, which is not restricted to the Germans but is prominent in the whole immigration, provides the enthusiasm and ardour of Jewish Palestine. Manual pursuits are not restricted to the young. The Jewish answer to the *Gleichschaltung* of Hitler has been the *Berufs-Umschichtung*, or change of vocation. It is a heartening sight to see a little village of German smallholders, each occupying about one acre, partly with intensive market gardening and partly with a chicken farm, each with his neat house built to a pattern, and bearing on the gate a neat letter-box, in the expectation that some day the postman will deliver letters. It is the more heartening when one learns that each of the settlers is in middle age, and was previously engaged in a liberal profession or in commerce and is now finding another way of life.

The transportation of German science already means much for the country and will mean more. Of the displaced academic persons the Hebrew University, which on April 1st next will celebrate the tenth anniversary of its inauguration by Lord Balfour, has been able to absorb fifteen: a chemical research institute directed by Dr. Weizmann has absorbed nine, who are engaged in research for the increase of the production of the country; the Haifa Technical Institute, which trains engineers, foremen and skilled tradesmen, has taken three; the Agricultural Experimental Station of the Jewish Agency has taken three. But the importation of science is not limited to academic persons. Over three hundred German doctors have been registered in Palestine, though it is not to be presumed that all of those who register can practise medicine; and some two hundred lawyers are aspiring to pass the examination of advocates, though most of them, it may be apprehended or hoped, will not be able to carry on their profession. But they mean the coming of new intellectual standards. Besides the doctors and lawyers, Palestine is accommodating a large number of German intellectual and

professional men. It finds room, for example, for many musicians; the Conservatoire of Music in Jerusalem, started two years ago, has on its staff eleven German teachers. It has attracted one of the principal modern architects, Erich Mendelssohn, and a crowd of less distinguished men.

The four essential factors in the development of the Jewish National Home during the last two years may be summed up as being the external security and the internal order which the British Administration maintains, and the enthusiasm, the science and the capital which are being poured into Palestine.

I have dealt so far with Jewish development, but it would be a mistake to think that the development and progress are restricted to the Jewish population. The wave of prosperity brings an obvious and growing benefit to the Arab population. A few by the sale of part of their land, and many by the sale of the produce of their land and by the work of their hands, are gaining riches of which they cannot have dreamed a few years ago. Sir Herbert Samuel, on his return from his visit to Palestine last spring, stated that some four million pounds were deposited by Arabs in the banks. Transport is revolutionised throughout the land. The motor-car, or rather the motor-bus supplants the donkey and the human leg; the motor lorry supplants the camel. The standard of wages and the standard of life are mounting. In almost every village in the coastal plain you may see new houses built or building, and around many villages new fruit orchards being planted. The progress is naturally more marked in the plains than in the hills; round Jaffa and Haifa, for example, more than round Hebron and Nablus. The proximity to Jewish settlement immediately brings prosperity to the Arab. At the same time, a growing number of Arabs from the hills are finding employment in Jewish settlements in the plains. And the demand for labour has brought to the Land of Promise some thousands of half-settled Arabs of the Syrian Hauran, who may later become a minor social problem.

The prosperity of its finances has enabled the Government in these years to expand its social services. Health conditions and activities like infant welfare have been steadily improved. The budget for education has been substantially increased; and it is one of the happy factors in levelling up the standard of the people that the Arab recognises the value of education. Besides a new Arab agricultural school, built with the endowment of a Baghdad Jew, but maintained in part from the Budget, the Government has started a programme of technical education and is building a

school of crafts at Haifa. It has, further, been able to expand the agricultural services, and the High Commissioner is concerned to multiply experimental stations and demonstration plots in different parts of the country. In its affluence, too, the Government has been able to reduce rural taxation, and has, finally, got rid of the tithe which, although the burden had been mitigated since the Occupation, was still a heavy charge on the small cultivator. To-day indirect taxation, and particularly the customs duties, of which the greatest part is paid by the Jewish inhabitants, accounts for more than two-thirds of the tax revenue.

The Government is seeking also to help the financial position of the fellahin by the encouragement of village cooperative societies. The whole of Jewish economic life is organised on a cooperative basis, but the movement did not exist amongst the Arabs until a few years ago. It is now fostered and shows every sign of meeting with popular approval. The aim is to relieve the Arab of the burden of usurious loans, made for the most part by Arab moneylenders, which is the undoing of the cultivator. An auspicious beginning of Arab cooperation in urban callings has been made with the Jaffa Boatmen's Society, which is said to have made a profit last year of over £30,000. The Government has been contemplating for some time the foundation of an agricultural bank, but the efforts have been complicated by the legal restriction on the transfer of land introduced by Government for the protection of cultivators, which hampers foreclosure of a mortgage. It is hoped, however, that the difficulties will be overcome without sacrificing the social aim of assuring the tenure to the smallholder.

It is inevitable that the sensational Jewish progress in the country meets with the violent opposition of the Arab political leaders. They see it as a flood advancing over the country and sweeping them away from their positions. They see it also, as the Prime Minister put it in 1922, as "the coming of the doom" and the extinction of their authority over the common people. They are no more reconciled than they were fifteen years ago to the policy of the Mandate, and they feel themselves more helpless to withstand it. There were demonstrations of protest in the autumn and winter of 1933 which led to clashes with the police in the principal towns. The firm authority of the High Commissioner and the constant alertness of the Palestine police—a vastly improved force—have averted any demonstrations and outbreaks since that time, and public security is better assured to-day than it has been at any time since the riots of 1929. There

is perhaps both outside and inside Palestine an insufficient recognition of that primary service of the Government in maintaining public security. Nevertheless, there are murmurings and movements. The Mufti of Jerusalem, the leader both of the Moslem community and of Arab nationalism in the country, has adjured Arabs to sell no land to the Jews, and issued to that effect a Fatwa, a form of Moslem Bull. But the sale of land cannot be conjured away by book, bell and candle. Not that it reaches any considerable proportions. The area transferred from Arab to Jewish hands during the last few years has been small, and the legislation of the Government designed for the protection of cultivators, which prevents the removal or eviction of tenants unless they are assured of a subsistence area in the region, is an effective check against dispossession when land is transferred. The economic gain to the Arabs from Jewish enterprise and the improvement of the conditions for the Arab workman in the country as in the towns are so manifest, the employment given by Jewish enterprise to Arabs, in spite of agitation for Jews employing Jewish labour, is so incontestable that it is no longer possible to rouse the Arab people with stories of impending ruin.

The contrast between the scale of life in Palestine and that in the neighbouring countries, Cyprus and Syria, and still more notably in the section of Mandated Palestine known as Transjordan, which is almost innocent of Jewish immigration and enterprise, has impressed itself on the imagination. So that there is, on the one side, a demand from those countries—"let the Jews come"—which evokes agitation, from the other side, of local or vicarious nationalists.

Arab political activity during the last year has been concentrated on internal questions. Municipal elections, under a new Local Government Ordinance, were held throughout the country, and inter-dynastic rather than inter-racial interests were the principal concern in these elections. There is every reason to hope that the new municipality of Jerusalem, in which Arabs and Jews sit in equal numbers and where a new Arab Mayor, keen, vigorous and trained by fifteen years' service in the British Administration, has taken the helm, will tackle the administration of the Holy City with efficiency and integrity.

The scheme for a Legislative Council still, indeed, rouses political interest. Some years ago the High Commissioner announced to the Permanent Mandates Commission that the Government proposed to introduce a partly representative Council after some experience had been gained of the working of



the elected Municipal Councils. He has repeated that declaration, and announced a few months ago that the Government would shortly undertake the study of the conditions in which a representative body should be set up. The maxim "to hurry slowly" would seem to be wisdom in this matter, both because the increased Jewish immigration is steadily putting the Jewish people in a position of lesser numerical inequality in relation to the Arabs, and because the economic development tends all the time to bring nearer together the mass, if not the leaders, of the two peoples. The Jews, it is said, want Numbers before Deuteronomy; and it would be to the good if they were not too distant from the Arabs in representation on the legislature. But "a Legislative Council in our time" is a practical programme.

The picture I have drawn so far may seem to be somewhat rosy, and I would now touch on a few of the more immediate problems and misgivings. Prosperity has its troubles no less than adversity, and the much-advertised prosperity of Palestine has brought certain unhealthy consequences. In the first place, there is fantastic speculation in land values, conducted mainly, but not entirely, by Jews at the expense of Jews. If it is more spectacular in the towns, where land has been known to change hands three or four times in a month and each time to advance in price 100 per cent., it is more mischievous in relation to agricultural land. The present phase has been called the period of the building plot. There are examples of orange groves planted by the main road being pulled up and the land sold as sites for houses and factories. Men beat their ploughshares into girders and their pruning-hooks into piston-rods. Brokers force up the price of small areas offered by Arab owners to blatantly uneconomic heights, and tend thereby to raise the price of agricultural land in the region generally; for it would be a disgrace for any Arab to sell his land at a lower price than his neighbour has obtained. It is not easy to find effective means of combating the evil. The suggestion has been made that the Government might resume control of all transactions of land, such as it took in the original legislation of 1920, but abandoned in the face of protest in less than a year, and only permit transfers of large areas to responsible colonising bodies. The suggestion has been made also of legislation for the control of urban rents, which has been tried in the past with some effect in Palestine. Some combination of government action with the moral influence of public opinion is called for.

There is, too, a one-sided development of one form of agriculture—citrus plantation. Vineyards and almond groves, as well as the corn-fields in the Plain of Sharon, have been abandoned for the planting of orange and grape-fruit. So far it has been possible to find new markets each year for the million additional cases of fruit to be exported. But that process, it is apprehended, cannot be continued indefinitely, particularly if the artificially enhanced price of land for oranges and the refusal of Imperial preference make it difficult to reduce the selling price of the fruit. It is feared that there may be a slump with Palestine oranges as there was with Brazilian coffee; and the export trade of the country at present depends to an unhealthy degree on this single item of fruit. A break in land prices, a slowing down of orange plantation, though they might involve individuals in ruin, might not, however, be generally disastrous. They would help to bring things back to a more normal and rational economic level.

Then the vast discrepancy between imports and exports, though it is an inevitable circumstance in a country developing as rapidly in population and enterprise as Palestine, cannot continue indefinitely. In the last two or three years the imports have more than doubled: the exports have remained stationary. The imports, of course, are swollen by the abnormal bringing in of building materials and machinery, and also of food-stuffs for the growing urban population. It may be expected that the young industries, heavy and light, which are now established in Palestine will begin to show an export trade in future years, and the excess of imports of food-stuffs will be to some extent counteracted by the growing productivity in such things as eggs, dairy produce and vegetables for which Palestine offers to-day an ever-expanding market.

On the Jewish side, too, there is an urgent call for the extension of agricultural settlement to keep pace with the urban and industrial development. The Jewish Agency is alive to that need, and is making plans, which will be helped by its new financial stability, for extending the settlement of smallholders both in the north and in the south. Broadly, the principal Jewish need is for a growth of support for public bodies which can plan with a long view. In recent years the growth has been overmuch, perhaps, through private enterprise, through corporations and individuals seeking individual profit, rather than through public organisations seeking national purposes and the national regeneration. Private enterprise, of course, must have its place in Palestine, but it is the essence of the building-up of the National Home that it must

pursue ideal aims all the time. Zionism means not simply bringing back the Jews to Palestine, establishing them in agriculture and industry, but the promotion of a better social order and the foundation of conditions of life, both social and international, which will assure peace within and peace without. Those aims can be furthered best by public bodies concerned to realise the ideal.

The most serious offset against the material development and prosperity of the last two years is the apparent submerging of the ideal aims in individual profit-making among certain sections of society. It would be false, however, to conclude that there has not been, during these years, a development of intellectual and spiritual life in Palestine. The manner in which Hebrew is rooted in the life of the people and is acquired by the new-comers from all parts of the world, the development of the school system so as to keep pace with the influx of the youthful population, the growth of the university and of scientific research institutes, the production of Hebrew literature in ever-greater volume, and its distribution to all parts of the Jewish world, the expansion and consolidation of the socialist settlements—in which the group share everything in common—and last, perhaps most important of all, the stirring of spiritual ideas which the German crisis has already engendered, these are signs that the idealistic strain is still strong.

There remains, of course, the constant and primary problem of bringing about understanding between the two peoples of Palestine, I might rather say understanding between the three peoples of Palestine, the Jews, the Arabs, and the English, because the progress of Palestine for many years to come depends on that triple partnership. The relations as between the English and the Jews, on the one hand, and the English and the Arabs on the other, are, it seems to me, better than they were two years ago. I should say that with more confidence of the English-Jewish relations. The change is due primarily to the great personal influence of the High Commissioner. By constant contact with every section of the people, by his tireless thought for the well-being of the common man, whether Arab or Jew, and by his transparent love for the country, he has established confidence in the Government, certainly on the part of the Jewish leaders and the Jewish mass, and if not on the part of the Arab leaders, then at least of a part of the Arab population. The responsible Jews in Palestine increasingly realise that they can succeed in their ideal only in cooperation with the English. The English, I think, are

realising more and more the place of the Jew in the revival of the whole of the Near East.

The conditions of understanding between Jew and English in Palestine cannot be made easy. The Jews are a new element in the record of British administration, a people who from the beginning demand at once autonomy and protection, and who regard themselves as the equals of the ruling class. The Jews and the English are as two chosen peoples, each feeling that they have a mission, each with their particular outlook, and not immediately comprehending the ideals of the other. Two thousand years of contrasted experience divide them. The one people has been struggling to preserve its religious and national life in the face of unparalleled repression and persecution; the other has advanced steadily from primitive conditions to greatness and mastery. The emotions of the Jewish people have been stirred for generations, and the Jews are prone to emotional expression; the English have practised control and self-restraint for generations. The Jews in their ardour are too regardless of facts; the English in their practical view a little contemptuous of ideas. As was said some years ago by an outstanding Jewish leader in Palestine, whose life was cruelly cut off, "the Englishman has a political and administrative tradition centuries old, proceeds slowly, looks ahead and preserves his balance. The Jew has no such political or administrative tradition, is compelled by the situation in the Diaspora and the development in Palestine to hasten every activity beyond its limits, without the possibility of calculating the results of the policy." Yet, with all these psychological differences there is growing understanding and a greater desire to cooperate.

As between Jews and Arabs, understanding and cooperation must be of slower growth. There is no political or social formula, no magic word which can bring about rapidly any cooperation. Peace can only be the prize of wise and generous conduct over a long period of years. Yet here, too, I think that there is progress, and at least the peoples seem to have got back to the measure of understanding which was reached before the sad affair of 1929. Arab-Jewish understanding must be built up from the bottom and not from the top. There is little hope of conciliating the political Nationalist leaders. There is more hope of establishing a sense of common interest and common social aims between the workmen and the peasants of the two communities. Good-will may be engendered rather by daily working together and by daily converse than by organised meetings. The Jewish children in the

higher classes of the schools learn Arabic. To a smaller extent Arabs learn Hebrew, which is akin to their own language. The young Jewish generation, reared in Palestine, will be able to talk more generally with the Arabs and will be more like the Arabs than are the immigrants coming from Central Europe, and thereby more likeable.

The Jewish Labour Organisation, which comprises nearly 50,000 members and represents about half the total Jewish population, holds faithfully to the idea of building up better relations with the Arab. It is a good sign that during this winter it has organised evening classes amongst its members for the study of Arab civilisation and tradition, and that those classes are widely attended. It fully recognises the need of the Jews to speak Arabic and to know something of Arab culture. It is not yet prepared to welcome Arab cooperation—in a literal sense—in all Jewish enterprise, because of the insistent call for making room for as many as possible of the Jews in this time of terrible distress. But willy-nilly the Arab is taking a bigger part in Jewish enterprise through this period of prosperity; he is raising his standard of life and getting nearer to the conditions of Jewish labour. A number of the workmen are realising the benefits of association, and are either joining the Jewish Labour Organisation or receiving guidance from the Jewish labour leaders in forming their own Unions. Politics tend, and must tend for a period, to keep the peoples apart; economic and social conditions are tending to bring them together. And above all, the foundation of Jewish life in Palestine is much stronger to-day than it was five years ago. The trend is to-day rather for finding points of approach than points of difference. The Revisionists on the Jewish side, demanding vociferously a forceful policy of building up a Jewish State, and Arab extremists on the other side, demanding as vociferously the stoppage of all Jewish immigration and the prohibition of the sale of land to Jews, do their best to embroil the communities, but the tide appears to be running against them.

Palestine to-day stands out in a world of depression and disillusion as a land of fulfilment as well as a land of promise; but it is still a country of urgent problems. Yet it is difficult to be in that land for a few months, to live in that atmosphere of enthusiasm and enterprise, of science and faith, without being moved to hopes, without looking to the bright vision, without believing that those who love Jerusalem will prosper, and that the dream of two thousand years may be realised, or at least reach the threshold of fulfilment, in our own day.

*Summary of Discussion.*

THE CHAIRMAN (SIR ANDREW MCFADYEAN) asked Professor Bentwich if he would say something further on the place which Germans who had recently arrived in Palestine were taking in the country. To what extent were they presenting a problem as a section of people of considerable energy and importance who were looking for work in a country where it was difficult for them to feel at home and to become at one with the large existing Jewish population?

LORD SNELL did not think that the fact that the political Arabs did not agree with what was being done in Palestine to-day should be taken too tragically. He doubted whether anything could have been done by the British Government or by the Jewish leaders which would have satisfied the Arab political leaders. They protested because they were fundamentally opposed to our policy. The Jews certainly had not impoverished the Arabs but had helped them to acquire higher standards, and the Arabs were better for contact with the Jewish civilisation. The Jew with his wider experience of the world, and with his science and modern civilisation, had a special responsibility to try to understand the prejudices of the Arab and to cooperate with him. He looked forward to that movement beginning in the villages rather than in Jerusalem, or Haifa, or Jaffa, or Tel Aviv. It seemed that the experience of the Southern States of America with their inter-racial committees, which were represented to some extent in South Africa, offered a possibility of people living in and near-by the Jewish colonies doing things which affected the life of both peoples, in connection, for example, with clean water, better streets and houses, so that there might be built up a reserve of good-will between the two peoples. He thought that that process was going on at a greater rate than was imagined.

With regard to Transjordan, he thought that in proportion as Palestine became prosperous it would be difficult to prevent the infiltration of Jews into Transjordan, and so on.

In reference to the Legislative Council, while as the Mandatory Power we should always be willing to extend to Palestine principles of self-government, this being inherent in our whole Empire development, it might intensify the troubles in Palestine if the Legislative Council were granted now, and he thought it would be wiser if, for the next few years, they did not try to promote the proposed Legislative Council too rapidly.

SIR PHILIP HARTOG said that some years ago he was in favour of a Legislative Council for Palestine. He had, however, seen something in India of the action of legislative bodies when no responsibility attached to their resolutions, and he would view with apprehension the establishment of a Legislative Council in Palestine at the present time.

He would like to ask Professor Bentwich one question with regard to the immigrants from the East. He had been told by a gentleman

who had returned recently from Palestine that it was necessary to remember that the colonies of workers in Palestine were literate and not illiterate colonies and that there was a great demand for English books, which was not being supplied. He was the last person to want to impose a purely British culture on Palestine, but he thought it was of major importance that the inhabitants of Palestine should have a real understanding of British traditions. He was surprised and shocked to find that many educated Jews in Palestine, who came from other countries, were convinced that the British administrator wished to make trouble between Arab and Jew because they thought that in some way his own problems would thereby be simplified. It was difficult to persuade them that there could be no worse mark against a British official than to have any kind of trouble in the area he administered. He would like to ask if Professor Bentwich did not think it would be a good idea to organise a supply of reasonably good books in order to satisfy the intellectual hankerings of the colonists in the villages.

MISS ELEANOR RATHBONE said that what interested her most in Palestine were the agricultural colonies, especially those on a primitive Christian communist basis with a completely collective life. Did Professor Bentwich think that those colonies were flourishing and would endure? One which she saw near the Sea of Galilee had been going for thirty years, but she felt that it was difficult for strangers to form an accurate opinion about them.

With regard to Sir Philip Hartog's remarks about the lack of knowledge of ideas of British culture she thought it was a prevalent tendency in all countries with which Great Britain was connected, deliberately or unconsciously to exclude British cultural propaganda. She had heard complaints of this tendency from officials as well as non-officials in Egypt. Nearly every European country was spending more money, time and thought on spreading its culture and civilisation than was Great Britain. She was told that that had always been so as far as France was concerned, but that now Germany and Italy were coming more and more into the field.

QUESTIONS: What was Professor Bentwich's view as to the possibility of a common educational system in Palestine?

What was the effect of Palestine's progress on the neighbouring countries, 'Iraq and Syria as well as Transjordanian?

Had the gravity of the problem said to have been caused by the situation of the displaced Arabs abated, and what had been done for them?

Was there any intention to float the promised loan of two million pounds which would be celebrating the fourth anniversary of its sanction by the House of Commons?

PROFESSOR BENTWICH, in reply, said that the number of immigrants

into Palestine from Germany during the last two years was 20,000, so that the German element was still a very small proportion of the whole. Before the recent immigration there were only 3500 German Jews; and of the 20,000 who had recently entered, some 3000 or 4000 were Polish Jews who had been living in Germany.

His impression was that those Germans were being integrated fully and were an element of great value. He had heard talk of the "Bei uns" attitude—"we do these things much better at home"—but had himself seen very little of it. That might be because he had seen chiefly the younger German settlers in the agricultural settlements rather than those in the towns. There was a certain element among the Germans in the towns who continued their old ways and talked German, but there was a growing element of younger people who came to do manual work on the land and in the factories, and also a large number in the professions and in commerce, who were integrating themselves completely in the life of Palestine; and it seemed certain that the influence of the 300,000 other Jews in Palestine would prevail. The German spirit of order, science and method which these immigrants brought with them would, on the other hand, be of great value in developing the whole life of the Jewish people in Palestine.

He had a very happy impression of the colonies in the Plain of Esdraelon, about which Miss Rathbone had asked him. It was these colonies that the Commission of Experts some years ago had said were already over-populated and could not be an economic success. Nevertheless, in the last two and a half years the population there had doubled; and the people, who until recently lived in barracks, were now building houses for themselves. Their process of development was that first they built a model babies' home, while the adults lived in rough barracks and tents. They then proceeded to something like a model school for the children, then to stalls for the cattle, and finally, when all these wants had been satisfied, they started building houses for themselves. The manner in which they had made room for the German immigrants coming to them was beyond all praise. They had been greatly helped by the Central British Fund for the relief of German Jewry. What was equally remarkable was the way in which the young Germans, brought up in very different conditions of life, were making themselves happy in an atmosphere where the way of life was still very rough. As to whether the communal way of life of those colonies would continue, all he could say was that it had endured and seemed to be gaining strength.

He agreed that excessive haste was not advisable with regard to the Legislative Council. There was advantage in getting some years' experience of the elected municipal councils before having a Legislative Council. But, on the other hand, they ought to envisage the creation of the Legislative Council in the near future. It was part of the British mission and mandate to encourage self-governing institutions, and if there was a place of meeting where Arabs and Jews could get together to discuss problems of government and to criticise the Administration it should make for cooperation. Such little experience



as there had been in Palestine of popular representation had been favourable. In the early days when Sir Herbert Samuel was High Commissioner there had been a nominated Advisory Council with ten representatives of the people and ten Government members. The High Commissioner did not nominate ten extremist representatives of the people, but, on the other hand, he did not nominate the ten tamest members; and the experience of those gatherings was that those who started by being fiercest became tamer.

He did not think that a common educational system would improve the relations of Jews and Arabs in Palestine. It was one of the necessary conditions in Palestine that the Arabs and the Jews should develop their own cultures side by side and should have their own schools and educational systems. It was necessary for the Jewish culture and civilisation that the Jews should have schools in which their own language was taught, certainly so far as elementary education was concerned and probably also with respect to secondary school education. The same was true of the Arabs. In higher education the Jews and Arabs might work side by side. It would be a good thing if the Arabs had their own University in which they could follow their higher learning in their language, and a few Jews would go there, just as a few Arabs now went to the Hebrew University in Jerusalem.

Sir Philip Hartog had touched on the question of spreading English culture. As to his specific question whether it would be a good thing to try and get people to make contributions of English books, he had just been drafting a letter to the Press to that effect. He believed there was a great desire in Palestine, both among Arabs and Jews, to know about England and English literature; but the influence of English institutions was greater and stronger because we left the people of the country to work out their own intellectual salvation and did not try to spread cultural propaganda. The French in Syria had been very active in inculcating their culture in the people, but it had not made for great contentment amongst them.

He could not say anything about the effect of Palestine on the Arabs of 'Iraq as he had not been there. But he had read in the papers that there was strong nationalist feeling there and dislike of Jewish national activity. There had not been any infiltration from Palestine into 'Iraq. There had been recently some talk of Jewish colonisation with regard to Syria. Only a few days ago the French representative on the Permanent Mandates Commission had to answer complaints that the people of Syria were being sacrificed to the prosperity of Palestine. It was the considered view of the representative that the people of Syria had gained by the enterprise and development in Palestine, and there was a feeling in Syria and Transjordan that Jewish enterprise and Jewish capital could be of benefit to these countries. Some of the people were anxious that they should have their share of the results of that enterprise; and that feeling might lead to a gradual infiltration from Palestine into the surrounding countries. What one could look forward to eventually was a large middle eastern

complex of countries, in which Arabs and Jews would be building up a common Semitic civilisation, each contributing their part.

As to the displaced Arabs, only about 500 were found to have been landless. There had been a scheme for their settlement on land acquired by the Government, but he could not say whether that had yet been put into operation. That, however, was the way the problem was to be solved. There was not likely to be a repetition of it, for the Government had introduced legislation to provide for the protection of cultivators; and when land was sold on which there were Arab tenants, sufficient land in the vicinity would be reserved in order to maintain those Arabs in agriculture.

With regard to the loan, the Government announced that it was going to float a fresh loan of £2,000,000 and legislation was passed through the British Parliament to enable that to take place. He had no knowledge beyond that.

## ERRATA

- p. 389, footnote, line 2, " Professor of Economics " should be deleted.  
p. 392, last para., line 1, for " 1920 " read " 1929 " .  
p. 397, line 5, for " sixty-five " read " sixty-eight " .  
p. 400, para. 2, for second sentence read " The most economical thing for Canada to do with her wheat, if possible, was not to sell in any one market but to sell small quantities in many markets, because the special quality of Canadian wheat was its baking strength, and it was more economically used if blended with other wheats " .  
p. 400, para. 2, last line, for " from " read " in " .



# THE PROGRESS OF CANADA'S RECOVERY<sup>1</sup>

By W. A. MACKINTOSH

THE progress of recovery in Canada has not been as great as many people would like, though it has been definite and perceptible. But to explain the patient's convalescence one ought to say something about the malady from which he was suffering; something about the great depression as it affected Canada and incidentally as it affected other countries who were of the same economic structure as Canada.

The cardinal and simple fact about the great depression is the reduction in the national incomes which has been associated with it, a reduction which has been unequally distributed among localities and among different groups. Canada was one of the nations which suffered the sharpest reduction in her national income, for Canada is immature economically. She has an economic organisation in which resources are less highly developed than in some other countries, and where, consequently, both labour and capital were normally at a premium and resources and land at a discount. And though, on balance, she has not been a heavy borrower from abroad since the War, still she was a country owing large sums which could only be paid through her exports. Further, she was an exporter of food products, raw materials and industrial materials of various kinds and in various stages of manufacture. Prices of commodities of that sort are peculiarly subject to variation; whereas prices of highly manufactured goods may vary by 10 per cent., prices of materials which are far from the consumers' markets may vary by 75 per cent.

Canada was a country of rapid growth. Pioneers were content to live in conditions which English working-men would scorn, confident that in a few years the country would grow and they would be the owners of the land, people of substance and wealth. In any country of rapid growth there is a tendency to assume large fixed charges, because one cannot exploit the resources of the country unless one acquires capital to do it, and the more hopeful one is of the development of the country, the more expert one becomes in persuading people to lend money to develop these

<sup>1</sup> An address given at Chatham House on January 24th, 1935, with Mr. A. H. Hemming, M.C., Professor of Economics, in the Chair.

resources. In consequence, Canada was a country in which the fixed charges, the capital charges, were relatively high. Finally, one can say that Canada was a great international trader. She had become fifth among the world's international traders, and her fate was thus bound up with the fate of the rest of the world.

A country in this situation is rapidly infected by a world depression. It comes either through a decline in the prices of the exports, or through a contraction or closing of the world's capital markets, or it may come through both. In the case of a country like Australia perhaps the more important factor was a tightening of the world capital markets in 1929. Canada, not having been a large foreign borrower in the post-War period, was most affected by the decline in the prices of her exports. We were affected by tight money conditions, but no more so than other countries. But we were affected more than other countries by the decline in the prices of raw materials and food products. At a later stage we were affected by the declining prices of imports, as a result of which the sheltered manufacturing industries began to feel the pressure of the world collapse.

The above suggests the way in which the depression is communicated to the sort of country which Canada is, but we had a number of particular points of weakness and strength in our structure which led to particular effects when the depression came upon us. In the first place, our largest manufacturing industry was the newsprint industry. It had behind it spruce resources and natural reservoirs and waterfalls which made it a sort of copy-book example for students of economic geography, and the United States market was at its door. The industry was soundly located, but it was recklessly and deliberately over-developed. The natural history of the industry was that it should be transferred gradually from the United States to Canada as the United States resources became more expensive and the natural resources of the Laurentian Plateau became available. But instead of allowing that transference to go on naturally, the pace of the transfer was forced by all sorts of influences, particularly by the granting of cutting leases on condition that mills of a certain capacity should be erected, by the granting of power sites on condition that a certain rate of production should be kept up, and by the prohibition of the export of pulp wood. The result was a forced rate of transfer of the industry from the United States to Canada and a striking example of amiable co-operation in folly by governments, industrialists, and financiers. When the depression came in 1929 the paper industry was already in a serious condition,

badly over-capitalised and over-expanded, and unable to sell its newsprint at remunerative prices in the United States, which took 90 per cent. of the output.

In the prairie West, our largest export, wheat, is produced (newsprint was our second largest export). During the War wheat-farming had developed very rapidly, and since the War this development had continued, on the whole soundly. The pace of the expansion was greatly increased, however, in the post-War period by the substitution of tractors for horses. The ordinary economic difference between the two is that the horse derives his power from the farm, the tractor from the oil well. Thus the widespread introduction of the tractor released the acreage previously used to grow horse-feed for the production of saleable grain. This unfortunately coincided with two adverse developments, the one a tendency on the part of countries in Europe to develop their own wheat-growing capacity under the stimulus of tariffs, quotas, etc., and the second the unfortunate coincidence of very large world crops in the years 1928 and 1929. Consequently, by 1929 our wheat industry was in a vulnerable position, through no particular fault of its own, but in the main because the European markets were closing against our wheat. That was the second weakness in our position.

The third one was of another kind. There is probably no country in the world, with the exception of the United States of America and Russia, that is so dependent as is Canada on railways. If, in Canada, one pulled up the railways the whole structure of the population and industry of the country would come up with them. There is no location in those regions other than a location on a railway line. In what is called a "town" on the prairies, the buildings put up before a railway has been constructed are built on skids, so that when the railway is located the whole town may be moved to it by tractor. Because we so depend on our railways we were perhaps too optimistic in building them, and thirty years ago we embarked on a project which has now been shown to be unwise. In 1903, in addition to the Canadian Pacific Railway, two further transcontinental railways were undertaken, not as a matter of competition but as a matter of decision in which the Dominion Government had the deciding voice. Four lines were, in fact, developed in addition to the Canadian Pacific Railway—the Canadian Northern, the Grand Trunk, the Grand Trunk Pacific and the National Transcontinental. In extenuation of this position it must be pointed out that the whole railway problem of Canada was affected by the building of the Panama Canal.

Prior to the construction of the Canal, transcontinental rail rates were based on the alternative of water transportation around Cape Horn. Thus we have had since the War too much railway mileage for the amount of the population, though not too much for the territory which we have to cover.

These railway schemes came to a stop during the War. Now to reconstruct these railway lines into a single system required the expenditure of a large amount of capital. Just as we were in the midst of our railway construction when the War broke out, so we had not finished our reconstruction when the depression came upon us. This was our third weak position.

There was a fourth point where we were rather but not seriously weak. The provincial governments had greatly increased their expenditure, largely by reason of the rising standards of living of the people and the demand for better social services. They increased their expenditure in the decade of the nineteen-twenties by about 80 per cent., the greater part of the increase coming from the provinces of Ontario and Quebec, which are at present by far the soundest financially. In contrast with provincial finance, Dominion finance had been pretty sound. We had continuously reduced our debt from 1923 to 1930 and the administration had been on the whole thrifty, particularly under the late Mr. Robb, Minister of Finance. On the whole, therefore, I would say that Dominion finance was a point of strength and not a point of weakness.

A further element of strength lay in certain new and rapidly developing industries, particularly the mining industries in the gold areas and the base metal mining areas of Ontario, Quebec, Manitoba, and British Columbia. These industries are for the most part of post-War development. Generally I would add to this group the power-using industries which were rapidly being drawn to those areas where hydro-electric energy was plentiful and cheap.

Keeping these particular points of strength and weakness in mind, let us see briefly what did happen when the depression came upon Canada.

*Wheat.* The price of wheat in August 1920 was \$1.60 a bushel on the Winnipeg Exchange. At the end of 1932 it was 42 cents, a decline of roughly 75 per cent. in the price of our chief export. As if that decline in price were not enough, we had from 1929 onwards years of drought varied with plagues of grasshoppers—I believe you call them locusts. There has not been since 1928



a greater than average wheat crop in Western Canada; and there are districts in which very little if any crop has been gathered. This means that in the region which in some respects is a key region, the total amount derived from the sale of crops dropped from \$833,000,000 in 1928 to a sum of \$274,000,000 in 1932, about 68 per cent. down. The average farmer in that area in the year 1932 harvested a crop of wheat of about 15 bushels to the acre. Of that he kept  $1\frac{1}{2}$  bushels for seed for the following year, after which he was due to pay  $4\frac{1}{2}$  bushels in taxes. Then, if he were an average farmer, he would have a mortgage on his farm and the interest on that and other debts required 7 bushels; so that when he had made all these payments he would have 2 bushels left for himself and his family, and these 2 bushels were worth 30 cents each. The western municipalities had financial difficulties. They levied the taxes required but could collect only 25 to 30 per cent. of them.

*Newsprint.* The price of newsprint fell by nearly 50 per cent. and the volume of production fell from 270 million tons to 125 million, or by 54 per cent. And so the output of our largest manufacturing industry was cut in two and its price was cut in two, which affected very large areas in British Columbia, Ontario and Quebec and, to a lesser extent, in the maritime provinces.

The decline in these two industries affected the railways, which depended particularly on the west-to-east wheat traffic and on the east-to-west traffic to the prairies, carrying the supplies for the wheat farmers. The gross revenues of the railways fell by 52 per cent. and their net revenues fell by 84 per cent. It was no wonder that the stock of the Canadian Pacific Railway declined on the markets. But the repercussions went further than that because the government was left with a Canadian National Railways' deficit of \$66 million.

The same contraction ran through other fields. When exports are crippled, the construction of new buildings and of public works is stopped. The index of construction contracts fell from 180 in 1929 to 42 at the end of 1932. As a new country, we had a larger proportion of people employed on that sort of work than would be the case in an older country. Consequently, proportionately more people were thrown out of work. Our total industrial production fell by 46 per cent. So you had a degree of contraction which I think is unfamiliar to people in an older country with a different type of economic organisation.

What happened after we reached the low point of the depression? Up to 1932 governments and public bodies in Canada and other countries were thinking in short terms of the depression. They attempted to meet immediate problems and trusted that it would blow over. They started public works, and they initiated various methods of relief. Then the situation became very serious in 1932. It is not unfair to governments to say they dug themselves in and waited for the storm to blow over. Unemployment was so great that governments naturally decided to husband their resources. They gave up public works, and they got down to the direct distribution of relief.

Since February 1933 there has been a substantial recovery. The price of wheat, which went to 42 cents, is now up to 82 cents and the farmer has put in a good deal of energetic work in getting his costs down. The unfortunate thing with regard to wheat is that we have not yet had a very substantial crop. That is of some benefit from the point of view of the problem of reducing the surplus of wheat, but there will not be a really full upward movement of Canadian business until there is a good wheat crop. A good crop of wheat sold at a price between 80 cents and \$1 would have a tremendous effect on Canadian business; it might even turn the railways from a losing into a paying proposition.

In newsprint the price has not improved, but the volume has increased almost to the level of 1929.

The railways have shown a definite improvement. The Canadian National Railway has improved about 20 per cent. in gross revenues and the net revenue is up by about \$20 million, so that they will probably draw on the Government for \$50 million instead of \$66 million as they did a year or so ago. The improvement in the Canadian Pacific Railway is slightly less, but its territory has been less favoured climatically than the territory of the Canadian National Railway. The problem of our railways is not one of getting costs down but a problem of expanding income. You can take all the economies that anyone has worked out as obtainable from railway amalgamation and you will not make the railways pay without a greatly increased volume of business.

Industrial production has come up from roughly 72 to 97. Construction has increased scarcely at all, only from 42 to 49. The low rate of interest has not acted so favourably in our economic structure as it has in Great Britain. But if the improvement continues we would expect in 1935 that building and construction will pick up. The nearest we have to an unemployment per-

centage is the percentage of the trade unionists unemployed. At the worst of the depression, this was 26 per cent. and now it is only 16 per cent.

In brief I should say that we have gone from 35 to 40 per cent. of the distance back to 1929. Bearing this in mind and bearing in mind that 1929 was a much dizzier height in Canada than in Great Britain, we may reach relative prosperity before we are back at the level of 1929.

How has this been brought about? Only to a limited extent by definite programmes of recovery; in large part as an accompaniment of general world recovery in which we were bound to share. There have been other factors. A very important one is the Ottawa Trade Agreements in 1932, from which very substantial benefits have resulted. Perhaps the most substantial and direct benefits can be seen in the lumber industry. Our export trade in lumber to the United States was taken away from us in 1930 by the Smoot-Hawley tariff; and upon that followed the depression, so that the possibility of getting into the British market with its building boom was extremely important. The limitation of British imports of Baltic timber coupled with the building boom very greatly helped our lumber industry. I am not satisfied that that is permanent. If the United States opens her markets to our timber it would necessarily be drawn in that direction because it is more easily reached and the competition between Baltic and Canadian timber is no new story; it began during the Napoleonic war. The British market for Canadian lumber has never been very secure; but in the winter of 1933 three to four times as many men went into the woods to cut lumber as in the previous winter, and this was almost entirely due to the Ottawa Agreements.

There are other cases where a preferential market is very important in particular localities. Thus the bacon quota has a very definite influence. We can produce a large quantity of bacon and there is no reason why we should not take a permanent place in the bacon market, because it can be transported economically and produced economically. The difficulty is that our tastes are different and the farmer has to be taught to produce the kind of bacon required by the British market.

The advantage which the farmer gets on cattle is very slight and few Canadian cattle have moved into the British market. The preference which is given to our wheat is of very little advantage; simply because we produce much more than enough wheat to supply the British market, and must sell some of it elsewhere.

It is not very important whether we are meeting the competition of Argentine wheat in the Liverpool market or elsewhere. Meet it we must. The chief criticism that I would make is that Canada has not given a *quid pro quo*, or too small a one. If we had taken a larger measure of British manufactures we would have helped to build up a market in which we could have sold our agricultural produce. The Canadian imports of British goods are very much smaller than British imports of Canadian goods.

But when we speak of the effect of the Ottawa Agreements we must not lose sight of the fact that something else happened shortly after they were concluded. The Ottawa Agreements would have had comparatively little effect on Canada if it had not been that in 1933 the United States went off the gold standard and that the Canadian dollar followed the United States dollar down. We were under a great handicap, as all our competitors—Australia, New Zealand, the Argentine Republic—had a currency depreciated far below ours, and we suffered in competition with them in the British markets. When our dollar went down with the American dollar, we came near to parity with the British pound and with Australia, New Zealand and other competing countries. So this added an additional stimulus to the stimulus given by the Ottawa Agreements and it is not possible to distinguish between these two helpful circumstances. We were kept from depreciating our dollar earlier by reason of our heavy interest payments to be met in New York funds. Our debts were payable in New York but our export balances accrued in London. Other factors have also contributed to the general improvement of conditions. There was a drastic cutting down of costs and a great deal of compounding of debts. Weak business positions had been wiped out and capital charges had been scaled down. It is of great importance, again, that we had political stability. In spite of the severity of the depression the country's credit has been maintained. There are places here and there where there have been defaults, but nothing extraordinary. The banking system stood firm. Indeed, in view of the depth and seriousness of the depression the political and financial stability has been quite remarkable.

One of the alarming things that has come out of the depression is the palpable weakness of a federal system of government. Any number of problems have arisen in which the responsibility is divided between the provinces and the Dominion. All departments of social legislation, control of wages, hours of work, industrial disputes, trade practices, are under our constitution

the business of the provinces. Our constitution is contained in the British North America Act, and the clause in that Act which consigns "property and civil rights" to provincial control was written in 1867, when it meant control over a man's farm. In the sixty-five years which have elapsed since the Act was passed, a complete change has taken place, and when we speak of "property and civil rights" to-day the phrase includes things which cut right across provincial boundaries. If the province of Ontario wants to settle minimum wages it cannot do so because the competing province of Quebec does not want to do so. Thus you have two competing areas side by side, one of which may have a lower or a higher standard of living than the other. It is impossible to put matters like unemployment insurance, to which all three parties are committed, on a Dominion basis, though the Dominion may try to do so by bribing the provinces. But it would be much better if the Dominion government had power to do it. Maintenance of the constitution has been a cardinal principle, particularly in the province of Quebec; but, as a result of the experiences of the past five years, radical groups have joined with conservative groups in order to bring about a revision of the constitution which will enlarge the range of Dominion-wide legislation.

In the final analysis, however, we can recover our position as a prosperous country only through the recovery of international trade. There have been few illusions in Canada with regard to our domestic capacity. We have no movement towards isolation or self-sufficiency. We could not maintain our standard of living if it were not for our international trade, and for that reason you find, in both political parties, a movement towards the reduction of tariff barriers.

#### *Summary of Discussion.*

QUESTIONS: Was the increase in trade more likely to come as between Canada and the United States or as between Canada and Europe or Russia?

What was likely to be the movement of Canadian population during the next few years, in view of the fact that the population in both the United States and Europe would reach its maximum in the next twelve or fifteen years, and that Canada was planned for a larger population than she had at present? Did Canada want immigration and would she get it?

Was there reason to hope that Canada would have a bumper crop of wheat or had the soil received a more permanent injury from drought than could easily be overcome? In view of the trend of events in

China, would there be an increased or contracted market there? How had the banks fared in the depression? Had they been able to give a lot of aid to the agricultural community? Would Professor Mackintosh say something more about the proposal of the Canadian Government to take over at paper parity the entire stock of gold belonging to the note-issuing banks? Would Canada tend to look more to London for her financial requirements than to New York?

How far had the policy of President Roosevelt had a general effect on Canada, and to what extent was it likely that Canada might follow suit with a National Recovery Act?

MR. H. H. HEMMING said that, in regard to the question of immigration, he understood that Canada had planned her railways and Governmental organisation for a population of 30 million, of which she only had 10 million, and until the other 20 million were there, they would be carrying too heavy an overhead. The present policy of Canada was to discourage immigration, which he thought was wrong, but with a million unemployed it was difficult to have the courage to admit other people, although these other people did bring capital with them, and also increased the internal demand for commodities.

He wondered if wheat was quite such an easy problem. A bumper crop might result in an increase of the unsold balance which they were carrying over, and he understood that in spite of the drought in America, their carry-over was little less than that of the prairie farmers who started the wheat pool, and the Dominion Government had had to carry it on. In the past the pools had not been a success, partly because they had held out for too high prices, and partly because continental countries were determined not to be starved out in the event of another war, and were trying to grow their own wheat.

However, he did not want to give the impression that he thought of Canada as having a gloomy future. If he might make a small criticism of Professor Mackintosh's speech, he thought he had stressed too much the difficulties of the country and not sufficiently the recovery that had already occurred. Money was now cheaper than it had ever been. Government bond prices were extremely high and all other bonds seemed to be moving up. The Dominion Bureau of Statistics published an index figure every week. It was based on the 1926 level. At the beginning of 1934 it was 83 per cent., it was now 102½ per cent. It was therefore above the 1926 level, and 1926 had not been a bad year. This index figure was based on all sorts of things, not merely production.

The last thing he would ask Professor Mackintosh to speak about was Mr. Bennett's New Deal. As an old conservative he had been horrified to see Mr. Bennett drop the pilot in dropping private initiative.

PROFESSOR MACKINTOSH, in reply to the question whether, in the event of the recovery of international trade, Canada would deal mainly with the United States, with Great Britain or with other European countries, said that this was difficult to predict. Canada had two types

of export trade : one was primarily in raw materials and food products, for which the market was in Europe ; the other was in partially and fully manufactured goods for which she had an extensive market scattered throughout many countries. If the European market became enlarged and opened its doors to Canada, there was no question that Canadian exports would return to Europe. France, for example, had completely excluded Canadian wheat exports. She was a large importer until 1928. The position was that Canada had to find somewhere to sell her wheat.

The point of optimum density of Canadian population would, he thought, not be nearly as great as the optimists thought because, though Canada was a large country in area, the part of the country which would be permanently settled with a fairly dense population was comparatively small ; the large northern areas would develop only a very scattered population.

The question whether the prairie land could ever be restored to its former fertility on account of the injury sustained by the soil was rather a technical one. He doubted if the injury had been very great, except in a few localities. It was difficult to exaggerate the quality and utility of prairie soil, which was comparable to nothing outside Russia.

The Canadian banking system had hitherto been in the hands of a comparatively small number of chartered banks (nine or ten, with four more important than the rest) which were comparable to the British joint stock banks. They had a singularly creditable history of sound banking, so that during the depression there had been no bank failure and no serious suspicion was cast on any Canadian bank. The appointment of the Macmillan Commission was not occasioned by any difficulty in the Canadian commercial banking system, but because the relation of the banking system with the monetary system was imperfect. Before the War the system operated automatically so that when a bank kept itself in cash it kept the country on the gold standard, but after the War neither the banks nor the Government were responsible for the gold standard. Canada really went off the gold standard in 1928 although the Government did not admit it for some time. The reason for setting up a central bank was to establish a monetary authority and to maintain whatever monetary standard the country might decide to maintain.

The question of the taking over of the banks' gold was one of those problems which he thought one considered by supposing either of two alternatives. The Government would one day decide what was to be the price of gold in Canada and the price of gold would be what the Government decided it to be. It would be an arbitrary decision. It might be 35 dollars an ounce or something else. Was the profit from that decision to rest in the hands of the people who held the gold or was it to accrue to the whole nation which through its Government had made that decision? The decision of the Government was based on the contention that the profit ought to accrue to the whole nation and not

to the people who happened to own the gold. There was this counter-argument that certain holders of gold, viz. owners of gold mines, did obtain the profit and the Government had to answer the case for taking over the output of the gold mines at the old parity. They would probably say that they wanted to encourage the industry and that it had been an important industry in helping Canada to get out of the depression. He believed that the Government had made an arrangement by which all gold that had been acquired by the banks subsequent to a certain date would be valued at a higher value, or in so far as any of them had acquired gold abroad at an enhanced price they would be compensated. But otherwise they would be given a paper parity.

The next question was whether London would outrank New York as a Canadian capital market. In the first place, he considered that Canada would borrow less abroad and more at home; she had been borrowing less abroad since 1920. An advantage of New York was that, in the case of many industries, there was a better understanding there of the particular industry, which was very often related to the United States industry. But there was every disposition to borrow in London, if Canada had to borrow anywhere, so long as the London rates were good, and it was possible that some of the clauses of the Roosevelt Securities Act might turn more of the borrowing business towards London.

The production of wheat in Canada would probably not be increased. The most economical thing for Canada to do with her wheat, if possible, was not to sell in any one market but to sell small quantities in many markets, because the special quality of Canadian wheat was that it was rising strongly and was more economical if distributed with other wheats. The United States put a duty of 43 cents a bushel on Canadian wheat and then bought it because she wanted it to mix with her own weaker wheats. The China market wanted quite inexpensive wheat, and the big exports of Canadian wheat to China had only been in those years when there was a lot of cheap off-grade wheat. Since 1929 Australia had taken that market away from Canada. The most constructive movement with regard to Canadian wheat was that fostered by Dean Shaw of the Saskatchewan School of Agriculture; *i.e.* to build up in Western Canada a live-stock industry, based on the feeding of off-grade wheat, and to export only wheat of the very highest quality. It was thoroughly sound if Canada could get the market for live-stock from the United States.

The remaining question had to do with Mr. Bennett's New Deal. In the first place, Canadians had obviously watched with the keenest interest President Roosevelt's various programmes and there had been proposals from various parts of Canada that something of the same sort should be done in Canada. He thought that it had been realised in Canada that one of the important things about the United States was that they had throughout their history been in a position to make extraordinarily costly experiments with comparative impunity. Having said that, he would add that the problems of the United States are



similar to those of Canada. One part of Mr. Roosevelt's New Deal was an attempt to overcome the difficulties of a federal government, though he succeeded in confusing this with a theory of under-consumption and higher wages. He had since done something to get them untangled. But Mr. Roosevelt was personally most interested in an improvement in standards. That had been impossible in the United States because of the Federal structure, and because certain States, particularly in the South, would not adopt standard requirements. Mr. Roosevelt took advantage of a crisis in order to get, through the medium of codes, the acceptance of labour standards of one sort or another which he could not get by law except by amending the Constitution. The Constitution was not quite so difficult in Canada because she had no Bill of Rights; if the provinces could not do a thing the Dominion could. But she had some of the same difficulties of federalism. The orderly way in which these should be overcome was to proceed to an amendment of the Constitution, for which the time was ripe, and then through an orderly legislative programme to adopt those programmes which were generally accepted, unemployment insurance, minimum wages, etc. He thought Mr. Bennett was thoroughly sincere in his proposals, but that it was not unfair to say that he was hurrying things up a bit, not entirely overlooking the fact that there would be a General Election some time between April and September 1935.

## REVIEWS OF BOOKS

Any book reviewed in this Journal may be obtained through the Publications Department of the Institute. Members of the Institute wishing to cable an order may use, instead of the title of the book, the number which it bears, e.g. "Areopagus, London: Send Book Twenty May Journal: Smith."

Books marked with an asterisk (\*) are in the Library of the Institute.

### GENERAL

- 1\*. SURVEY OF INTERNATIONAL AFFAIRS, 1933. By Arnold J. Toynbee, assisted by V. M. Boulter. 1934. (Oxford University Press. 8vo. x + 636 pp. 24s.; to members of the Institute 14s.)
- 2\*. DOCUMENTS ON INTERNATIONAL AFFAIRS, 1933. Edited by John W. Wheeler-Bennett, assisted by Stephen A. Heald. 1934. (Oxford University Press. 8vo. xiii + 536 pp. 25s.; to members of the Institute 16s.)

To those of us who look forward to the *Survey* as an annual joy, the volume for 1933 will be no disappointment. It maintains the high standard which Professor Toynbee has set himself and his coadjutors for now a full decade; the horizon is as wide and clear as ever, the literary touch as crisp and sure. Apart from the general soundness of its structure, the *Survey* owes no small measure of its success, as often before, to the wise abandonment of any attempt to cut up the current history of the world into twelve-monthly slices. Admirable examples of the exercise of this discretion are the chapters on Cuba and on the Philippines. In the former, Miss Katharine Duff tells the tale of Cuba from the year (1898) when that unrestful island was ceded by Spain, down to May 1934, when the United States signed a treaty which cancelled the famous Platt Amendment, renounced the right of intervention, and gave Cuba complete political freedom. The chapter on the Philippines, written by Miss A. D. Holt, covers a shorter period (1927-1934), but a period of intense importance in American colonial policy, for it carries us through the strange tangle of idealism and self-interest that has ended in the promise of independence to the Filipinos in ten years—a gift which some of them already apprehend they may live to regret if Japanese expansion should turn in their direction.

The main drama of 1933 is told in three Acts, if the term can be used when all three were being played simultaneously—the world economic depression, Germany under Hitler, and Japan's sabre-rattling in the Far East. Running through all three, like a Greek chorus, is the wailing chant of the decline and death of the Disarmament Conference. Mr. H. V. Hodson begins with a brilliant account of the monetary and industrial collapse. Naturally enough, it pivots largely on the American situation; for the Wall Street break in 1929,

as Mr. Hodson says, was to the United States what August 1914 was to Europe, and when Mr. Roosevelt took over his office in March 1933, "never had a new President been confronted with so momentous a crisis or so tremendous an opportunity." The widespread breakdown of the banking system, the threats of wholesale commercial insolvency, the huge unemployment (which the Labour Research Association of New York estimated at 16,774,000, a higher figure than Mr. Hodson's), and the catastrophic fall in the value of securities—these gave the new President his historic opportunity. If the remedies which he applied seemed at times to vacillate and contradict each other, they were the experiments of test and trial with which an honest man, having no special knowledge of his own and no great confidence in his expert advisers, sought to solve unprecedented problems. It is perfectly fair, however, to criticise the United States for having gone off the gold standard, not by reason of any slight from the dollar, but "because, in the judgment of the Administration, to maintain it might have interfered with their plans for raising American prices." It is also pertinent to insist that, when a gold bullion standard was again, though precariously, established, the dollar was undervalued, with, as a consequence, a drain of gold to the United States which "did no credit, in the eyes of the general public, either to the gold standard itself or to those in America who had adopted it on such arbitrary terms." And there is much truth in the negative conclusion that the experience of 1933 did not indicate how the way to economic recovery is to be found "without a stabilisation of currencies and a release of international trade from its fetters." For the failure of the World Economic Conference, however, Mr. Hodson is not disposed to lay all the blame at the door of Mr. Roosevelt, despite the President's bombshell of July 3rd, 1933. He is undoubtedly right. The Conference was doomed from the outset. Only two countries came to it with a fixed policy, as has been pointed out by a writer in *The Times*: France with a policy of deflation, and the United States with a policy of inflation; and the oil and the water refused to mix. The walls of economic nationalism have to be breached before any conference can hope to articulate world currencies or assuage tariff wars.

The second Act takes us to Nazi Germany and a telling description of the reaction of the civilisations of the world to its excesses. In the disgust which was expressed by our own people in particular, Professor Toynbee hints that there was a touch of hypocrisy, in view of our having done so little to mitigate the policy of humiliation on which Clemenceau and Poincaré had insisted. This is true: and yet there was a genuine feeling of dismay among thoughtful people, both in England and in France, that one of the most highly cultured nations of the West should have frankly reverted to methods of barbarism. Nor is there any assurance that the lapse is partial or transient. In a luminous passage Professor Toynbee sees in it the victory of the neo-Paganism which has been, ever since the days of Machiavelli, in secret revolt against official Christianity. For four hundred years we peoples of the West have given "*raison d'état* the precedence in practice over the commandments of Christianity whenever the two competed in real life" and yet have "managed to preserve the decencies." Now, however, the pagan religion of Tribalism has come out naked and unashamed. Its power lies in its control of propaganda and education; and its strength rests on the new spiritual force which, crude and primitive though we may think it, fills the void in men's minds created

by the growing scepticism of our age. It is difficult to contest those conclusions or to over-estimate their gravity. The attack upon official religion is taking various forms; but there is a deep parallelism between what has been happening in Germany and the movement against the Orthodox Church in Russia: perhaps also the neo-Turanian assault upon Islam in Turkey was not wholly alien in spirit.

In the third Act there is no mincing matters in the description of "Japan's vast and undisputed *de facto* gains which were the immediate rewards of her disloyalty and intransigence." The advantages to Japan from her annexation of Jehol are set out with special lucidity in one of the chapters contributed by Mr. Hubbard: the possession of this remote and unproductive province furnishes her with "a base of operations against Russia's long and vulnerable Siberian frontier on the one hand and against intra-mural China on the other." The repercussions of Japan's aggressiveness on the politics of the Pacific led to America giving its diplomatic recognition to Soviet Russia and starting to build a navy up to the full strength allowed by the London Treaty which Japan has since denounced. Altogether it is a mournful tale. The economic aspect of it is not quite so black as its political side: for the interesting suggestion is made that the unfair competition or dumping which is commonly ascribed to Japan is not in reality a *sabotage* of international commerce, but more often an opening up of new markets in which her competitors had never attempted to deal.

To many other points of interest in the volume, nothing beyond a passing allusion is possible: the swing of Poland, for example, from the French to the German camp, the anxieties of Czechoslovakia and her wise handling of her minorities; the activities of the Little Entente; the vicissitudes of the Four Power Pact, the marginal line between Great Powers and others; the improved relations between the United States and the Republics of South America. Here and there, these various movements contribute something to the "unseen and imponderable constructive forces battling doggedly against the apparently incorrigible perversity of people in political and economic authority." For it is a despondent note which Professor Toynbee strikes in his general survey of the whole field. The mastery, he feels, over matter which has been acquired by the western world is serving only to expose man's "social incompetence in the conduct of human relations." Here the historian leaves us: he has diagnosed our malady, it is for the philosopher and the statesman to find the remedies.

The "Documents" are arranged in the same order as the topics in the *Survey* and form, as in previous years, a valuable companion to the parent volume. One-half of the total space is devoted to "Disarmament and Safety", and here a particularly instructive item is the Draft Convention put forward by the British Government in March 1933, in the hope of saving the Disarmament Conference from collapse. It is printed with the various amendments and reservations moved by other governments. In the same section a document of much historic importance shows the evolution of the Four Power Pact and throws a vivid light on the outlook of its signatories. In the Economic section, the papers range from the initial optimism of the annotated agenda for the London Conference to the poor final salvage from its wreck. The editor apologises for omitting the documents pertaining to the New Deal in the United States: but no excuse is needed, because he could hardly have done justice to them without an extra volume.

A much graver omission is any explanation from Japan of its policy in the Far East ; but when a nation prefers the bayonet to the pen, no editor of peaceful habits can help.

MESTON.

3. FREEDOM AND ORGANISATION, 1814-1914. By Bertrand Russell. 1934. (London: Allen and Unwin. 8vo. 528 pp. 15s.)

As Chaucer is notoriously "a dangerous author for a weak speller," so is Bertrand Russell for a weak historian; on the other hand, both writers are likely to do their victims a great deal of good in showing up the weaknesses of conventional spelling and conventional history. *Freedom and Organisation* is not exactly a history of philosophy nor yet of politics: it is a history of the ideas put forward by thinkers and commonly accepted by intelligent men at different periods, to some extent producing and guiding new social and economic conditions and to a much greater extent suffering change and transformation under their influence. In the main the thing most desired by the civilised world in 1814 was Freedom; at the present time it is Organisation. Lord Russell is a philosopher, and a very witty one at that; consequently he moves among the ideas with a delightfully sure touch, and has a happy gift of satire, pessimistic perhaps, but not often unkindly, in describing the thinkers. His accounts of Bentham and Owen, his analysis of the contrast between Hamilton and Jefferson, of the brutal hypocrisy of Bismarck and the self-deceiving religiosity of Alexander I are excellent. His criticism of Karl Marx, brief as it is, is both just and illuminating, and his account of the rise of American capitalism and "big business" not only brilliant but surprisingly moderate and free from prejudice.

Yet one is reminded of Stevenson's apologue about the tribe condemned to wear shackles on the left ankle, who struggled nobly for freedom from this degrading oppression, and then proceeded to put shackles on the right ankle instead. Lord Russell is great on the association of religious fervour and cruelty. There he is probably right; a burning faith often carries with it a desire to burn others, witness the Bolsheviks on one side and the Inquisition on the other. Nor perhaps should we quarrel too much with a deep underlying pessimism which pervades this book much as it pervades most of Tolstoy. "Thinking is not one of the natural activities of man. It is a product of disease, like a high temperature." "Experience showed that clergymen and magistrates had no objection to law-breaking when its purpose was merely the torture of children." "The Poor Law is said (though this seems scarcely credible) to have had philanthropic motives." But in his account of the causes of the Great War the author slips rather into the *Fable Convenue* of the anti-Grey party, and makes some definite historical mistakes. It is also curious that, though his whole argument leads up convincingly to the necessity of international organisation and limitation of independent sovereignty, Lord Russell makes no mention at all of the League of Nations. True, the institution itself comes just outside his period, but the idea was just inside.

GILBERT MURRAY.

4\*. PREFACE TO PEACE. By Sir Norman Angell. 1935. (London: Hamish Hamilton. 312 pp. 8vo. 7s. 6d.)

THIS book is a model of the lucid and logical reasoning which we have learnt to expect from its distinguished author. Though he is apt to repeat himself, and he wastes, perhaps, an undue amount of

space in demolishing arrant nonsense quite unworthy of his steel, many of the fallacies which he triumphantly exposes are no doubt widespread enough to deserve the attention which he devotes to them. His thrusts are directed impartially at Die-Hard and Pacifist, Tory and Socialist, one of the best passages in the book dealing faithfully with the illusion that war is an essentially capitalist institution. The case which he makes out for a system of collective security is as nearly conclusive as possible. The trouble is, however, that Sir Norman Angell is too dexterous a controversialist. When he enters the ring, we know that he will win on points, but, after enjoying his brilliant display, we are left with an uneasy feeling that his opponents will turn up next day as vigorous and as dangerous as ever. The "plain man," John Smith, for whose guidance the book is written, will probably remark, "Frightfully clever and all that, but I know there's a snag somewhere!" He feels that Sir Norman could argue anything, and that he, John Smith, would be quite incapable of detecting a fallacy, but he cannot be brought to believe that views entertained by very distinguished persons all over the world are as idiotic as the argument seems to demonstrate.

A more fundamental criticism is that the author misinterprets or ignores the standpoint of the kind of man whom he is addressing. The issue does not present itself to John Smith, in Sir Norman's terms, as a choice between two roads, one leading to peace and the other to war. He is perfectly conscious that the road he is here bidden to avoid leads to war, though with care his journey may be planned so that the destination is sufficiently far off not to concern him personally. But he says that there is no second road. The delectable by-pass seems to exist only in the paper plans of engineers, of whose competence to construct it he is profoundly sceptical, while, if he stands still and takes no road at all, war is overtaking him with gigantic strides. The majority of John Smiths need no persuasion that a real collective system would be an infinitely better guarantee of peace than the alternative of competing armaments and alliances. But they are inclined to apply to such a system the comment on the Grand Design of Henri IV which Sir Norman quotes: "It is perfect, flawless, save for one thing—no earthly prince will ever be persuaded to agree to it." If they are convinced, for example, by the cogent argument in the book, that "diplomatic pre-commitment is the minimum which the world must accept," they look round and see the whole English-speaking world resolutely opposed to any such policy. Or they read, "no collective or co-operative system can possibly work unless there is a belief on the part of each that the others will really fulfil their obligations," and they ask, where in the world is any such belief actually entertained? In these circumstances, they wonder whether the old methods, leading though they inevitably must to ultimate war, are not at present the only system of security which mankind is capable of working, and they echo the modest prayer of their liturgy for "Peace in *our time*." Sir Norman himself concedes to human imperfection the admission that the ultra-pacifist solution is impracticable, and that no nation will surrender its right to defensive armaments. Smith only goes a short step further, when he concludes that, human nature being what it is, the collective system, for all its manifest advantages, is an impossible dream. Conversion will only be achieved when Sir Norman directs his great gifts to displacing this conclusion.

G. M. GATHORNE-HARDY.

5. THE HISTORY OF THE "TIMES": VOLUME I. THE MAKING OF "THE THUNDERER," 1785-1841. 1935. (London: The Times Office. 8vo. xx + 515 pp. 15s.)

The *History of the Times*, written by members of its present staff, displays those qualities which have come to be recognised as the tradition of the paper itself. It is well informed, well balanced, tolerant, unsensational and anonymous. This first of the three volumes in which the century and a half of the career of *The Times* will be described, covers rather more than fifty years, ending with the death of Thomas Barnes, the first of its two greatest editors, in 1841.

It is appropriate that a reviewer in these columns should be pre-eminently interested in the rôle of *The Times* in foreign affairs. Just as the Great War may be said to have made the fortunes of our two great Sunday papers (though both had already had a long and not undistinguished history), so the Napoleonic wars, combined with the prudent management of John Walter the second, made the fortune of *The Times*. It was John Walter who laid the foundation of the foreign news service which has ever since been a distinctive feature of the paper. He realised that the first duty of a newspaper is to get its news both punctually and accurately; and despite war-time difficulties with the Post Office and other government departments, the foreign news of *The Times* throughout the war complied with both these requirements to the utmost limit permitted by the mechanical resources of the day. It is significant of John Walter's enterprise on the technical side that the first steam printing-machine was set up in Printing-House Square, and that this happened at the moment when *The Times* had just begun to assert its primacy among English journals—in 1814.

The sequel of the war was a momentary set-back. Under an editor named Stoddart, *The Times* espoused the cause of the restored Bourbons in France with such vigour that it began to antagonise not merely liberal but even moderate conservative opinion at home. It was one of those periodical aberrations to which even the greatest of newspapers is still occasionally subject. Stoddart was soon removed. But the pro-French label stuck, and a few years later there were ugly rumours that *The Times* was in the pay of Decazes. These seem to have been completely without foundation. Although papers supporting the government (*The Times* among them) regularly received, during the early years of the nineteenth century, payments from Treasury funds, there is no trace of *The Times* ever having accepted any payment from a foreign government.

The period of Barnes's editorship (1817-1841) saw the English people and their Press more concerned with domestic than with international affairs. It was only after the turn of the century, under Delane, that *The Times* became a power in European politics; and this period belongs to the next volume, which will be eagerly awaited.

JOHN HEATH.

6. THE FOREIGN POLICY OF THE POWERS: FRANCE, GERMANY, GREAT BRITAIN, ITALY, JAPAN, SOVIET RUSSIA, THE UNITED STATES. By Jules Cambon, Richard von Kühlmann, Sir Austen Chamberlain, Dino Grandi, Viscount Ishii, Karl Radek, John W. Davis. With an introduction by Hamilton Fish Armstrong. 1935. (New York: Harpers, for the Council on Foreign Relations. 8vo. 161 pp. \$1.50.)

THE title-page of this book speaks for itself. It is most useful to have within one cover seven such authoritative studies. They vary

in their method of treatment. M. Cambon and Mr. Davis dwell much on the historical background of their subject, whilst Sir Austen Chamberlain presents a panorama of the present day. Signor Grandi, who has much to say incidentally about the League of Nations, contributes a diplomatic study, and Mr. Radek an essay on the Orthodoxy of Compromise. Herr von Kühlmann is adroit, implying much between the lines. His references to Czechoslovakia reveal a lack of affection almost unbecoming in a writer so careful of his phrases. Viscount Ishii's reasoned defence of Japanese policy is noteworthy for the stress it lays on the question of racial equality. President Wilson's arbitrary action in barring all reference to this question in the Covenant, if the Japanese amendment had been carried on a division, is still remembered at Tokio.

A. Z.

7. THE TREATY OF VERSAILLES AND AFTER. By nine authors. 1935. (London: Allen and Unwin. 8vo. 192 pp. 5s.)

THE little volume, made up of a series of wireless talks, must be judged by reference to the audience for which it was designed. The core of it consists of an admirable elementary summary of the Treaty in four short chapters by Professor Toynbee; and this is followed by a series of chapters of varying value by authors of different nationalities on what the treaty looks like fifteen years later. The commentators do not for the most part err on the side of severity. But this retrospect inevitably gives more cause to reflect on the folly than on the wisdom of modern international statecraft. It also suggests—though the moral is not pointed—that a revaluation of Wilson's latter-day reputation is perhaps due; for the value and durability of different parts of the treaty may almost infallibly be measured by the extent to which they diverge from the prescriptions of the Fourteen Points.

JOHN HEATH.

- 8\*. POLITICAL HANDBOOK OF THE WORLD, 1935. Edited by Walter H. Mallory. 1935. (New York: Harper Brothers, for Council on Foreign Relations. 8vo. 201 pp. \$2.50.)

THE *Political Handbook of the World* is now established as an essential work of reference and the 1935 volume upholds the high standard of accuracy set by its predecessors. It presents in concise and accessible form information on the Press of the various countries and on their political leaders, parties and programmes. There are one or two omissions upon which it seems fair to comment: for instance, Memel and the Saar, while the section on France contains no mention of political groups like the *Croix de Feu*, the *Jeunesses Patriotes*, etc. There may be a case for denying Outer Mongolia a section of its own, but the inclusion of "Manchukuo" in the section on China is surely a euphemism. It is ungracious, however, to insist on such minor points in a work which will certainly prove most useful to journalists and students of international affairs.

L. S.

9. WORLD POLITICS AND PERSONAL INSECURITY. By Harold D. Lasswell. 1935. (London: McGraw Hill Publishing Co. 8vo. vii + 307 pp. 10s. 6d.)

PROFESSOR LASSWELL is already well known to students of international politics for his researches on the subject of propaganda. In this book he takes a wider sweep. It is an attempt to approach the present-day problems of international politics from the psycho-



analytical angle. Many readers will be repelled by it. In the first place, it is frankly cynical. There is, for Professor Lasswell, no question of morality in politics. "Politics is," we are told on the first page, "the study of *who gets what, when and how.*" Secondly, the language in which the book is written is, to put it mildly, over-elaborate. Thus the first section of the work is entitled "The Configurative Analysis of World Value Patterns"; and when the author wants to say that it is hard to get the ordinary man to think in terms of the world as a whole, this is how he puts it:

"The incorporation of the person into his own culture proceeds so constantly that countertherapy . . . has but a modest chance of success in deflating the quick investment of the we symbol with uncritical evaluations."

Nevertheless, for anyone who will persevere, the book is full of interest, both for its ingenious speculations and for the light it throws on certain tendencies in contemporary thought, as well as for its bibliographical material, which is extensive and peculiar. The study of propaganda has convinced Professor Lasswell (or bemused him into feeling) that the only way to get a more secure world (one cannot use the word "better") is to discover what Plato called a "noble lie"—in this case a nobler lie than that of the nationalists. But let the author speak for himself.

"If we pose the problem of unifying the world we must seek for the processes by which a non-rational consensus can be most expeditiously achieved. A sufficient concentration of motive around efficacious symbols must be elicited in order to inaugurate and to stabilise this adjustment. . . . The discovery of the symbols which in point of fact do elicit enough rearrangements of human reaction (*sic*) to inaugurate and to conventionalise a stable order is the essence of world-legislation."

The League of Nations flag versus the Hammer and Sickle! An international postage stamp against the Swastika! In this conflict of non-rational combatants, this battle between ghosts, Professor Lasswell's side is certain to lose. *Non tali auxilio!* A. Z.

10\*. CRISIS GOVERNMENT. By Lindsay Rogers. 1934. (London: Allen and Unwin. Cr. 8vo. 166 pp. 5s.)

11\*. THE CHALLENGE TO DEMOCRACY. By C. Delisle Burns. 1934. (London: Allen and Unwin. Cr. 8vo. 266 pp. 5s.)

PROFESSOR ROGERS traces, over wide and well-known fields, the stages by which a world which was to be made "safe for democracy" has become a world of dictatorships, and thus of crisis. In a moment of pessimism, he pronounces Gresham's Law to be operative in the press and in politics, as well as in coinage; but he is consoled by the reflection that Mr. Roosevelt, whom he fervently admires, "has demonstrated that you can have all the advantages of a dictatorship and not abandon democracy." Another hopeful sign is that the leading statesmen of the world have, in the last three years, dropped their habit of talking nonsense in public; the radio, he wisely hints, has helped in this reform. A mass of material has gone to the making of this volume, but its merits are unequal. It is hardly worthy of Columbia University, for example, to speak of "Topsy's genetic processes," or to say that francs "toboggan" and dictatorships "perdure." Nor is confidence in the Professor's historical judgments assured when we read that our crisis of August 1931 was the result of a notice served on the British Cabinet by British bankers to the effect that, unless the dole was reduced, England would go off the gold standard. And is it really true that "the British Empire was for

some years managed by a person named Rogers"? Slap-dash irrelevancies of this type are unsettling in a book with scientific pretensions.

Dr. Delisle Burns approaches crisis by a different path from his Columbia colleague. He views our post-War troubles as in reality no more than growing pains, the transition from a struggle for shares in the world's good things to the creation of new things in a bigger and better world. If democracy finds itself in a crisis, it has largely itself to blame, in so far as it has been content with a machinery of ballot boxes and vicarious sacrifices instead of a conscious effort to remake society from the foundation. This refashioning is needed in our ideals of health, education, usable wealth, art, leisure; and it can best be accomplished by working from the city outwards to the collective security of an international system, founded on a recognition of the truth that, in the modern world, no man can have peace unless all have it. The whole treatise is an appeal to the ordinary man and woman to come in and help in the task of rebuilding a true democracy instead of the "slave-civilisation" in which, according to Dr. Burns, most of us are still wallowing. MESTON.

12. GEOGRAPHY IN RELATION TO THE SOCIAL SCIENCES: Geography in the Schools of Europe. By Isaiah Bowman and Rose B. Clark. 1934. (New York: Charles Scribner's Sons. Cr. 8vo. xxx + 382 pp. \$2.25.)

THIS constitutes the fifth volume of the report of the American Historical Association's Commission on Social Studies in Schools. Part of the volume, an investigation by Rose Clark on the place of geography in the schools of Europe, falls into place in the report the more obviously. It covers methodically the relevant data in the primary and secondary schools of nine European States and will primarily interest educationists, though it indicates usefully how far geography like history can be used for nationalist or internationalist propaganda.

Professor Bowman in the other part has produced work of far greater importance and wider interest which relates less obviously to the Commission's scheme, since it has little direct bearing on the teaching of geography in schools or even to undergraduates, but is mainly concerned with advanced geographical research. In a series of essays the author has made numerous converging approaches to the fundamental problems of the relation of research in geography to research in neighbouring social sciences, of the special nature of the geographical approach, its special techniques and its fundamental "conceptions." The outcome is a work which perhaps more thoroughly than any other will enable a reader ignorant of the trends of modern geography to place the subject, while to others it should prove a work of unending suggestiveness by the rare breadth of its basis of reading and observation and by the multiplicity and novelty of the techniques of investigation and exposition described and illustrated.

Readers who know the author's *The New World*—still the best work on political geography—should be warned that the section here explicitly devoted to political geography is the slightest in length and content and that the direct relevance of the whole to International Relations is small. Indirectly, however, that relevance is considerable.

The revelation of the difficulties of defining a "geographic region," for example, is important in judging charges that political frontiers cut across the "natural frontiers" of such regions, while the chapter on Population and Land Studies will supply many a needed qualification to current statements on over-population and empty lands.

Granted that the chapter on the philosophy of geography is as intangible as usual, that the non-geographer may find a few pages heavy going and some of the borrowed maps insufficiently elucidated, and that the final application to international problems is left to the reader, this work may be recommended as a seminal and highly stimulating contribution.

L. G. ROBINSON.

13\*. THE CONTINENT OF ASIA. By L. W. Lyde. 1933. (London: Macmillan. 8vo. xxii + 777 pp. 16s.)

PROFESSOR LYDE long held the chair of Economic Geography at University College, London, one of the earlier chairs of Geography in Great Britain. He set himself the task of dealing with the regional geography of the whole world. A task so stupendous involved the systematic collection of a great mass of material which he has continuously revised and which has been incorporated in two studies, *The Continent of Europe*, which appeared several years ago, and *The Continent of Asia* at present under review. *The Continent of Asia* is thus not an isolated work by a specialist and it would not be fair to judge it as such. The attempt to write a regional geography of the whole world on this scale may never again be attempted by one mind. It belongs to the pioneer period of the development of geographical studies.

The theme is throughout the relationship of man and country in all its varied forms and with its manifold reactions on public affairs, whether they be economic or social or political. It is thus of interest to the reader interested in affairs as well as to the geographer in the technical sense. The discussion of the Indian problem, for example, is stimulating and provocative, whether we agree or do not agree with its conclusions; indeed it is an essential of the author's method to construct a picture of a situation as he sees it and as he understands it. The book here attains its highest levels. The regional accounts are very full of material, sometimes too full of place-names and facts to be readily comprehensible, but the facts are never given as in the old geographies without an attempt to consider their causation and their significance. Professor Lyde writes tersely and vividly and has something stimulating to say on almost every page. These very virtues, however, result in *The Continent of Asia* being less of a systematic exposition than it would be if written by another, if a less vivid, mind.

WILFRED SMITH.

14\*. MEMORANDUM ON THE TEACHING OF GEOGRAPHY. Issued by the Incorporated Association of Assistant Masters in Secondary Schools. 1935. (London: Philip. 8vo. xvi + 418 pp. 7s. 6d.)

This Memorandum makes encouraging reading for those interested in the scientific study of international relations. It accepts "education for citizenship" as one of the broad aims of education and declares that the function of geography should be "to train future citizens to imagine accurately the conditions of the great world stage and so to help them to think sanely about political and social problems in the world around them." In particular the Memorandum suggests for the last school year a non-specialist course on broadly cultural lines which should concentrate on those commercial, social and political aspects of geography

which will best introduce the pupil to the modern world and fit him to take an intelligent interest in, and form sound opinions on, the great problems of the day. H. G. L.

15. THE SPY MENACE : an Exposure of International Espionage. By R. W. Rowan. 1934. (London : Thornton Butterworth. 8vo. 284 pp. 10s. 6d.)

The public likes an author who makes its flesh creep, and Mr Rowan caters for this taste in a most determined manner. Espionage is his staple theme, though he does not disdain minor nightmares such as bacteriological warfare and Professor Banse. There may or may not be an international "spy menace." But this collection of spy stories, mostly dating from the War, cannot be regarded as a serious study of it. J. H.

- 16\*. DICTIONARY OF TERMS RELATING TO AGRICULTURE, HORTICULTURE, FORESTRY, CATTLE-BREEDING, DAIRY INDUSTRY AND AGRICULTURE IN ENGLISH, GERMAN, FRENCH AND DUTCH. Compiled by T. J. Bezemer. 1935. (London : Allen and Unwin. 8vo. vii + 249 pp. 25s.)

This work, the first dictionary of its kind, should prove most useful, not only to students of Agriculture, Horticulture, etc., but to all those who find themselves confronted with unfamiliar technical terms in a foreign language. The book is divided into four sections, the first giving the word in English with its equivalents in the other languages, and the others repeating the process, beginning with German, Dutch and French respectively.

- 17\*. ROAD AND RAIL IN FORTY COUNTRIES. Report prepared for the International Chamber of Commerce by Dr. P. Wohl and Professor A. Albitreccia. 1935. (London : Humphrey Milford. 8vo. xix + 455 pp. 18s.)

This report makes a comparative survey of the actual conditions under which road and rail transport are respectively operating at the present time, thus supplying the necessary basis of facts for a study of the question of the co-ordination of these two means of transport. An introductory report was published in 1933 setting out possible solutions of the road and rail problem.

### PRE-WAR HISTORY

- 18\*. LES ENGAGEMENTS DE L'ALLIANCE FRANCO-RUSSE. By Pierre Renouvin. [Extrait de la *Revue d'Histoire de la Guerre Mondiale*, Octobre 1934.] 1934. (Paris : Costes. 8vo. 16 pp.)

THE threatened reappearance on the European diplomatic scene of a Franco-Russian alliance, veiled no doubt in some more modern and fashionable dress, must have made many people ask : What exactly did the famous pre-War Franco-Russian alliance amount to ? The present pamphlet, a reprint of an article in the *Revue d'Histoire de la Guerre Mondiale*, answers this question. It does not purport to narrate the history of the alliance, but to describe precisely what its provisions were. Few people probably remember how those provisions changed from time to time during the twenty-three pre-War years while the alliance was in force.

It began in August 1891 with what would nowadays be called a "consultative pact"—an innocent agreement to consult together on any "menace to the general peace." A year later teeth were put into this understanding by a secret military convention which provided (1) that if Germany attacked either party, the other would attack Germany ; (2) that if *any one* member of the Triple Alliance mobilised,

France and Russia would also immediately mobilise. The second provision was fraught with danger from the first owing to Austria's Balkan preoccupations. Even a partial mobilisation by Austria to deal with a Balkan state would provoke a complete Franco-Russian mobilisation with its incalculable consequences.

The alliance did not, however, stop there. In 1899 there was a new protocol which added "the equilibrium of forces in Europe" to "general peace" as one of the things which the alliance was designed to maintain; and in 1900 Great Britain was put beside Germany as a country to which provision (1) was applicable. There were even precise stipulations about the forces with which Russia would attack India if Great Britain should attack France, and Russia received a loan for the construction of a strategic railway from Orenburg to Tashkent.

This was the high-water mark of the alliance. By 1906 the Entente Cordiale had begun, and Russia had been defeated in Manchuria; and the application of provision (1) to Great Britain, while not formally renounced, was obviously a dead letter. In the crises of 1909 and 1911 a fresh doctrine was elaborated. The convention was no longer regarded as applying automatically, but only when "vital interests" of one or other of the parties were at stake—a phrase which obviously left room for interpretation; and in 1911 it was agreed that mobilisation by Austria or Italy would call for consultation, but would not entail, as the original convention had laid down, immediate mobilisation. Finally, the last period (1912-1914), while introducing no fresh modifications, showed a certain reaction against the relaxation of the preceding years, and witnessed a tightening up, in fact if not in theory, of the bonds of the alliance.

It is remarkable that no good history has yet been written of the Franco-Russian alliance. This timely little pamphlet assembles the framework on which such a history might be constructed.

JOHN HEATH.

19. DEUTSCHLAND UND ENGLAND IN IHRER POLITIK UND PRESSE IM JAHRE 1901. By Dr. Johannes Dreyer. [*Historische Studien*, Heft 246.] 1934. (Berlin: Ebering. 8vo. 119 pp. Rm. 4.80.)

THE essay contains little which is new, except that the recently published French documents are utilised. As far as the press review is concerned, only that of the German press is properly attempted. Of British papers the author had access to *The Times* and the *Nineteenth Century Review*, while other papers are quoted, almost throughout, from summaries and excerpts published in the German press—which seems a ludicrous procedure. Is it impossible to obtain at Berlin files of other English papers and periodicals, and if so, should not the author have come to London for a few weeks or months, and done the work in the only way which can yield valid results? L. B. N.

20. DIE ENTWICKLUNG DES OESTERREICHISCH-SERBISCHEN GEGENSATZES, 1908-1914. By Dr. Gerhard Hiller. 1934. (Halle: Akademischer Verlag. 8vo. 93 pp., bibl. Rm. 4.60.)

THIS is a careful and well-documented essay on Austro-Serbian relations from the Annexation to the outbreak of war. The point of view is very strongly, almost innocently, pro-Austrian. Thus on p. 5 the "Economic Quarrel" (i.e. the "pig war") is dismissed as comparatively unimportant, because Serbia's motives for it—to

emancipate herself economically from Austria—were largely political, as though Austria's motives were any different. Serbia is accused throughout of mistrusting Austria, and in the same breath, Austria is justified for mistrusting Serbia, and while Austria's policy is described as "purely defensive," such "defence" is shown to have included plans for practically dismembering Serbia, even if the chief proposed beneficiary were to be Bulgaria.

It is quite clear from the writer's own account that the position was an impossible one, and the question of guilt is simply the question of the hen and the egg. Mr. Miller is convinced that the egg came first; but his own work is detailed enough to enable his readers to draw their own conclusions, and thus constitutes a useful contribution to the literature of the period.

C. A. MACARTNEY.

- 21\*. *THE CAUSES OF THE WORLD WAR*: an historical summary. By Camille Bloch. Translated from the French by Jane Soames. 1935. (London: Allen and Unwin. 8vo. 224 pp. 7s. 6d.)

THE French original of this work was published in 1933 and was reviewed in the March 1934 issue of this *Journal* (p. 264). In the translation certain printers' errors have been corrected, quotations amended, and the references and notes at the end now refer the reader to documents in their original form instead of to the French translation. But none of these alterations, amounting in all to about 40, modify the work in any way or touch upon any essential point. The book gives an historical summary of every step and incident leading from the annexation of Bosnia-Herzegovina in 1908 to the outbreak of war in 1914.

H. G. L.

## ECONOMICS AND FINANCE

- 22\*. *THE EUROPEAN WAR DEBTS AND THEIR SETTLEMENT*. By Wildon Lloyd. 1934. (New York: Committee for the Consideration of Inter-Governmental Debts. 8vo. 86 pp. \$1.50.)

THIS pamphlet is an argument to persuade the creditor to think again about his bond, but it deserves also to be read by the debtors as a reminder that the affair has been neither settled nor forgotten.

The author sketches the circumstances in which the debts were incurred as an introduction to his main thesis that the debts are not ordinary commercial debts and that they cannot possibly be met in full by any nation. He proposes that the original principal of the debt should in each case be reduced by one-half as a rough adjustment of the difference between the level of prices in 1918 and 1934; that no interest should be charged upon this principal and that from it should be deducted all cash payments already received by the United States. This works out in the case of Great Britain with a result with which no Englishman could find fault, by leaving the outstanding sum still to be discharged at \$70,691,763.

The other countries would be left with a substantially larger burden, and the author proposes that the difficulty of transfer should be met in part by payment in bullion, in part by grant of tobacco and match monopolies to United States syndicates and in part by a reduction of 25 per cent. in customs duties in favour of the United States.

The value of this pamphlet lies more in the freshness of the approach to a stale subject than in the precise recommendations put forward. It is important that a book of this sort should be read widely not only in the United States, but also by the defaulters of the Old World. The

former may be encouraged to forgive and the latter reminded lest they forget.  
C. I. BOSANQUET.

- 23\*. DIE ENTWICKLUNG DER LAGE DER ARBEITERSCHAFT IN EUROPA UND AMERIKA, 1870-1933. Statistische Studien der Reallöhne und Relativlöhne in England, Deutschland, U.S.A., Frankreich, und Belgien. By Jurgen Kuczynski. 1934. (Basel: Philographischer Verlag. 8vo. 70 pp.)

THIS short book dealing with real wages and with the relation between real wages and production per head contains much highly controversial matter. Dr. Kuczynski gives statistical material which appears to indicate a progressive decrease in the standard of living of the workers in England in the present century as compared with the period 1895-1903, a decline greater among skilled than among unskilled workers; for Germany a substantial rise in the pre-War period, and a more serious decline in the last decade; for the United States a rise of 27 per cent. for skilled workers and a small rise for the great mass of labour. These conclusions, as far as England is concerned, do not appear to fit the facts, as shown, for example, by a comparison of the recent survey of Life and Labour in London with that prepared by Charles Booth. Much depends on the weighting of the figures of wages; moreover, calculations of the cost of living are open to many reservations; and even if both calculations were perfectly balanced, the resulting "real wages" level would not represent the standard of life without consideration of the whole gamut of education, health and social services and amenities generally.

But Dr. Kuczynski makes many useful observations on the general situation which deserve careful study. One of these is the intensification of industrial processes, especially marked in the United States, which makes it hard for the middle-aged and the older worker to maintain the pace, and that he is likely to fall out earlier. Therefore a higher annual wage does not necessarily mean higher total earnings throughout life. Moreover, intense work means a larger expenditure on food for the recuperation of physical and particularly nervous energy and less for the other items in the budget.  
M. BRYANT.

- 24\*. THE ECONOMIST'S HANDBOOK: A Manual of Statistical Sources. By Gerlof Verwey, with assistance of D. C. Renooij. 1934. (Amsterdam: The Economist's Handbook. 8vo. viii + 460 pp. £1 15s.)

THIS is a valuable production, which will prove indispensable for all those who have to refer to statistics dealing with several countries. It covers economic subjects of every kind from "Acceptances" to "Zinc." In addition to general statistical sources (*e.g.* those published by the League of Nations), sources are given for Belgium, France, Germany, the Netherlands, Switzerland, the United Kingdom and the United States. Very wisely the authors of this work have refused to confine their attention to official statistics, and have included unofficial sources of information. They are to be congratulated both on their enterprise and their thoroughness.  
A. T. K. GRANT.

25. THE ECONOMIC BASIS OF POLITICS. Reprinted with a new Preface. By Charles A. Beard. 1935. (London: Allen and Unwin. 8vo. vii + 99 pp. 3s. 6d.)

THIS slight volume, though familiar to students of American political writing for some years past, has not until the present time

appeared in an English edition. It is difficult to see how it adds either to Professor Beard's eminent reputation or to the important contributions which he has made to knowledge. Based on four lectures delivered at an American College during the War, it employs the method of historical analysis to propound the thesis that forms of government are in the main dictated by the distribution of property and that the art of statesmanship is the art of reconciling conflicting economic interests. It is thus a summary restatement of the view underlying the author's *Economic Interpretation of the Constitution of the United States*.

TERENCE O'BRIEN.

26. ENGLAND TAKES THE LEAD. By Harold Fisher. 1934. (London : Jonathan Cape. 8vo. 253 pp. 6s.)

IN this book Mr. Fisher has taken upon himself a double rôle—that of analyst and that of prophet. As analyst he approaches monetary questions from a new and original standpoint. He looks upon the whole process as one of creating and discharging obligations (in his words “promises to pay”), and what is significant for him is “a major movement within the total volume of promises to pay at any time in being.” This method of approach is a promising one; it is logically satisfying and would seem to offer a road to interesting results, though Mr. Fisher has by no means followed this road to its end. One can only hope that a more detailed study is to follow; it certainly should make interesting reading.

When Mr. Fisher tries to foretell the future, he is on hazardous ground. He concludes that “the creative activity of the new generation will have enormous play, and the generation that fought the War will go down to its old age in the gratifying splendour of a new world.” Perhaps; perhaps not.

The title of the book is unfortunate, and some of the writing unspeakable: for example, “The world is approaching the foothills of a mountain range of prices higher than it has ever yet climbed, and the path of destiny lies through Great Britain.” Which is a pity, as the argument of the book is enterprising, even though many would not agree with it.

A. T. K. GRANT.

### THE INTERNATIONAL LABOUR OFFICE

27\*. THE ORIGINS OF THE INTERNATIONAL LABOUR ORGANISATION. 2 vols. Part I, History; Part II, Documents. Edited by James T. Shotwell. 1934. (Columbia University Press; London : Humphrey Milford. 8vo. xxx + 498, xii + 592 pp. £2 10s.)

THIS book, with its full history, its complete documentation and appendices, is indispensable to the student of international labour affairs, but its price forbids a general public, which is a pity, for there is much misunderstanding of the work of the International Labour Office and room for a popular account of its activities. Fontaine and Thomas being both dead the team of writers selected could not be bettered. Ernest Mahaim, Sir Malcolm Delevingne, Harold Butler, the present Director, Edward Phelan and Professor Shotwell have all been connected with the I.L.O. since its birth and the remainder are distinguished writers. In Great Britain there is an idea which sometimes comes up at meetings and is fostered by the less scrupulous newspapers, that the I.L.O. is a device of foreigners to make this unfortunate land



pay large sums of money for its upkeep in order that these same foreigners should control our labour policies. The truth is that the organisation at Geneva is the result of a growing feeling in all industrial countries that the chaos in labour legislation must be reduced to something like order in the general interest of the world.

The first suggestion of international agreements came from a remarkable source, none other than Bismarck, who as early as 1885 drafted a memorandum suggesting an international conference on the lines of the International Postal Union. He seems to have dropped the idea and when in 1890 it was revived by the Kaiser to have opposed it; indeed, his opposition was one of the early incidents of his downfall. The Kaiser got his way and a conference was held in Berlin at which the British attitude was that the British Government could not enter into international obligations on labour matters, though it was not explained why a government which could enter into political treaties with foreign countries could not enter into industrial ones. The only people with a clear idea of what was necessary were the Swiss. It should be mentioned that in 1881 the Swiss Government had circulated a memorandum suggesting the international regulation of work in factories and, at Berlin, they submitted a proposal which Sir Malcolm Delevingne rightly calls a remarkable piece of foresight, for it lays down the principle of the present I.L.O. All that came of the Berlin Conference was a general recognition that something ought to be done and a determination to leave it to someone else to do, for an agreement to attend another conference came to nothing.

In 1900, however, a more modest scheme was evolved and the International Association for Labour Legislation came into being in Paris. It was unofficial but it was hoped to get the benison and co-operation of governments, together with employers' federations and trades unions. As Sir Malcolm says, it dissipated its energies over too wide a field and attempted too much, but in one direction it attempted too little. In Great Britain, at all events, few trades unions even knew of its existence. An odd circular might come to an overworked general secretary but that was all, and neither employers nor trades unions joined it to any extent. The work it did, however, was enormous. It broke down the feeling that international agreements could not be reached and organised conferences which were to have most far-reaching results. The Franco-Italian Agreement of 1904 giving reciprocal treatment to French and Italian nationals when working away from their own countries may not have been its work but was due to its spirit, as were also the many associations for the study of labour questions. Our author says tersely, "The War broke the Association." It did, but if ever the illustration of the phoenix can be applied it is in this case, for it rose from the ashes of strife and the result is the I.L.O.

We have no space to do more than note that international feeling was growing in all industrial quarters. Employers had formed affiliations as had trades unions, W. A. Appleton of the G.F.T.U. and later Arthur Henderson doing notable work, while, in addition, individual trades unions linked up with their fellows abroad. The way was therefore made easier for agreement, but there were still many difficulties. Leon Jouhaux in France thundered eloquently in its favour, but his appeal fell on deaf ears; indeed, Clemenceau at an interview with British Labour leaders early in 1919 hinted that he had not bothered to think about the idea, and, in the circumstances, that

was probably a very helpful attitude. Great Britain made the first move. G. N. Barnes, himself a Labour man, was in the Cabinet. He devoted himself to devising a scheme and fortunately had for his coadjutor Malcolm Delevingne, the Labour adviser to the Home Office. They secured the blessing of the Prime Minister, Mr. Lloyd George, called a British Empire Committee to meet in Paris, and invited the Trade Union Congress to send delegates. It is part of the inner history of the movement that the invitation nearly went wrong. The T.U.C. did not like Lloyd George and there was some unjustifiable feeling against Barnes, but this was got over and the Committee drafted a rough scheme. It was subsequently found that one or two other countries had been thinking along the same lines, but the British proposal was the first concrete one put forward. There were other anxious moments for Barnes. Governments were beginning to cool, but eventually the rough draft went to an official committee presided over by Samuel Gompers, the United States Labour leader. The second volume shows the changes made in the draft which were of detail and not of principle, and Edward Phelan devotes some little space to discussing Gompers' difficulties. He was an interesting and irritating person, with his curious insistence on the phrase "Labour is not a commodity," whatever that may mean, and his adherence to the eight-hour day as against the more flexible forty-eight-hour week. Phelan praises the old man for giving way but in Washington Gompers recanted and was exceedingly wroth with the Labour delegations for not sticking to the eight-hour day. His attitude was the more curious because, while in theory the eight-hour day applied in the larger industries, in practice it did not, for while the Conference was sitting, a strike was proceeding against an eighty-hour week in one of the principal industries. They had the eight-hour day, but as overtime was paid at single rate, the employers calmly insisted that the men should work on.

The greatest difficulty was over the composition of the Governing Body of the I.L.O., both employers and trades unions objecting to the number of government representatives. Both declared that, left to themselves, they could reach far better agreements than if hampered by bureaucrats, but they overlooked two things of importance. There is a possibility of employers and workers unconsciously forming a conspiracy against the consumer, and governments, however inadequately equipped for the work, are the consumer's only protectors. Besides, international agreements often require the sanction of law and it is better for the government to be represented in the earliest stages. The other objection taken is comic in the light of the event. The employers, smarting a little under what they called socialistic legislation, feared that the official delegates would be too sympathetic to Labour; the trades unionists said that officials belonging as they did to the employing class would join the employers' *bloc*. In practice this has not happened. The government delegates do not always vote one way and not always with the employers. The latter are sometimes divided and the only sign of a *bloc* is in the Labour group.

Much as we would like there is no space to deal with the Washington Conference. It resulted in the establishment of the I.L.O. and the appointment of Albert Thomas, who guided it with real genius until his untimely death; and we must conclude with a word of gratitude that the United States has at last taken its proper place in the International Labour Office.

G. H. STUART-BUNNING.

## THE BRITISH COMMONWEALTH OF NATIONS

28\*. THE THIRD BRITISH EMPIRE. By Professor Alfred Zimmern. 3rd ed. 1934. (Oxford University Press. 8vo. xii + 192 pp. 6s.)

It is very interesting, and highly instructive, to compare this third edition of Professor Zimmern's book with the two previous editions. It follows the first edition after eight years, and the second after seven years. These are not long intervals, and yet the careful reader will notice—particularly in Chapter II—a development, a widening and deepening of Professor Zimmern's conception of the philosophic bases of the British Empire, and the part which it has to play in the world. On behalf of students, not only of British Imperial relations, but of international politics, and, above all, of those who look for the creation of an organised world-State, we ask Professor Zimmern to give us an assurance that this will not be the last edition of his book. For he shows the British Empire as not only the most important element in the collective system, but as the great example of the sort of international co-operation on which a stable system of organised world relations can be erected. Even more than this, there can be read in his discussion the character of the British Empire as an energising agent, actively and powerfully working all the time, to spread the basic truth that no legal sanctions can be so efficient or permanent as the free and spontaneous willingness to co-operate, which is the real foundation of the British Empire to-day. Professor Zimmern played a leading part in what could be called, without any abuse of words, the epoch-making Conference on British Commonwealth Relations at Toronto in September 1933. The quintessence of that conference is in this book.

Another notable chapter of his book is the discussion of the part to be played by the Empire in international economic co-operation. In this chapter Professor Zimmern does not go into any detailed examination of inter-Imperial economic relations, nor does he say much about the technique of present-day commercial treaty-making. Instead, he discusses *sub specie æternitatis* the whole problem of commercial policy, the struggle between the nations which form the class of the "haves" and those others which are the "have-nots." Professor Zimmern does not like the Ottawa policy, which he believes to be timid, ill thought out, and not neighbourly. He is all for international economic co-operation. In this latter aspiration, of course, he is joined by all real students of economics and politics, but there are many who will not agree with him in his condemnation of our present Imperial economic policy as intrinsically bad. Of course there is much in the Ottawa agreements that will have to be scrapped. Every month brings us some proof of that. When Professor Zimmern says that our economic policy is ill thought out, the clash between Mr. Elliot and the Dominions is monumental proof that what he says is true. Nevertheless, admitting all this, we might ask Professor Zimmern to consider whether the Ottawa policy may not be the first clumsy beginnings of an Imperial economic policy which will be as suited to the conditions of the modern world as the Navigation Acts were to the conditions of the seventeenth century. Unfortunately, this theme is much too difficult to argue here, and this broad consideration is thrown out for Professor Zimmern's consideration.

It is impossible to draw attention to all the contents of this book. We could spend time over the valuable tables which set out the

political status of all the members of the Empire in the first chapter; the humane discussion of the place of the non-White peoples in the Empire, and the concluding chapter on "Empire and Nationality," with its invaluable exposition of how, in the British Empire, we have "de-politicised" nationality, call for comment, but the reader will turn to these things for himself. It is enough to say that in this book we have presented to us in short compass the British Empire as it is to-day in essence. It is earnestly to be hoped that it will be widely read by both foreign and British students.

J. COATMAN.

29. IMPERIAL PREFERENCE VIS-À-VIS WORLD ECONOMY. By Benoy Kumar Sarkar. 1934. (Calcutta: Ray-Chowdhury. 8vo. 164 pp. *Rupees* 5.)

This book is an interesting attempt to show how present-day British Imperial economic policy stands with relation to the world economic system. The author has made a somewhat ambitious attempt to elucidate the present chaotic condition of international economic relations, and to show the directions along which, in his opinion, these are developing. Naturally a very large part of the book is given to the special position of India, and the chapters devoted to this are valuable

J. COATMAN.

30. BRITAIN UNDER PROTECTION. An Examination of the Government's Protectionist Policy. By R. M. Findlay. 1935. (London: Allen and Unwin. 8vo. 223 pp. 6s.)

HERE is all the evidence—and there is a great deal of it—of trade dislocations and other damage occasioned by the British fiscal reform of 1931–1932, which an energetic Free Trader could crowd into 200 pages. Mr. Findlay shows the National Government disregarding its pledges, and rushing the country into a change never endorsed by the electorate, whence retaliations from abroad, contracted opportunities for British exporters and shippers, increased costs of production, bureaucratic interferences and delays, competition for the ear of Parliament by a hundred and one interests, and futile attempts to make the public believe that none the less Protection had delivered some sort of goods. Mr. Findlay has assembled many instances of damage caused in one way or another through Protection, and a counter-propagandist would be hard put to it to refute any large proportion of them.

Mr. Findlay would not be the effective polemist that he is had he paused to enquire why, if there is no more to Protection than this sorry series of consequences, the whole instructed public opinion of the country does not rise and demand the repeal of the National Government's fiscal legislation. For Mr. Findlay is not the only person aware of the cost of the recent change. The fact is, people remember that the last Free Trade years were years of growing economic uncertainty. That the State should carry a more and more complicated and costly social service obligation, while not regulating in any way the expenditure of citizens upon foreign products, was felt on every hand to be perilous. A Government responsible for social services must be allowed powers of managing industry which a *laissez faire* Government need never have desired. Such was surely a feeling in the country, not to be dismissed as merely ignorant.

The economist of the future will probably have to make up his mind (anyway for a century or so) to governments making it their business to ensure that the home market gives the greatest possible

stable support to domestic industries. The Free Trade cause will not on that account have been betrayed. To bring pressure upon the Government to promote advantageous exchanges across frontiers and thereby to frustrate attempts at monopolistic exploitation of consumers will be the task of enlightened politicians of this and the next generation; but who can believe, looking round at the world as it now is, in governments renouncing control over their citizens' use of income to purchase foreign goods? Must we not rather expect and desire that governments will learn to control the output of domestic goods, and not to think their regulatory task discharged by merely interfering with the import of foreign goods? We shall, of course, be asked where governments are to acquire the wisdom to direct production intelligently; but it is a fair answer to prophesy chaos if they fail to find it somewhere.

C. J. S. SPRIGGE.

31. CONSERVATISM AND THE FUTURE. By Lord Eustace Percy, M.P., and others. 1935. (London: Heinemann. 8vo. 319 pp. 7s. 6d.)

MR. E. T. COOK, the editor of this volume, has rendered a service by bringing together a number of contributions to contemporary Conservative political thought. Lord Eustace Percy, dealing with Conservative principles, bases these on the belief that it is the highest function of the State to maintain order in such a way as to give the freest rein to the creative powers of the individual. Mr. Emrys-Evans and Captain Loder, in a chapter on foreign affairs, argue on behalf of the principle of collective security developed through the machinery of the League of Nations; and Lord Iddesleigh contributes a chapter on inter-Imperial relations.

TERENCE O'BRIEN.

32. WHY FASCISM? By Ellen Wilkinson and Edward Conze. 1934. (London: Selwyn and Blount. 8vo. 317 pp. 8s. 6d.)

THE authors of this rather complicated essay in comparative politics on the whole write with good temper. They pass from Italy and Germany to Great Britain, seeking to interpret contemporary history in terms of the struggles of classes and sub-classes. Fascism is for them not "Reaction" but a compromise, illogical and permanently uncomfortable, between Reaction and a sort of Socialism. But whether they themselves have a more logical and firmer founded doctrine of Society and the State one is not given much of an opportunity of judging. At times, despite themselves, they seem rather to like England as she is.

C. J. S. SPRIGGE.

- 33\*. THE PRESS IN ENGLAND. By Kurt von Stutterheim. 1934. (London: Allen and Unwin. 8vo. 223 pp. 8s. 6d.)

HERR VON STUTTERHEIM, for ten years London correspondent of the *Berliner Tageblatt*, has reduced to small compass, and recorded with admirable lucidity and detachment, the main features of the historical development and existing organisation of the English Press. Originally published for the edification of German readers, his account well deserved translation, both by reason of his intimate knowledge of the subject and for the clear relief into which so able and judicious a foreign journalist is able to throw the strong and weak elements of our English newspaper practice. His treatment of Lord Northcliffe's career and influence and of the post-War "trustification" of the Press deserve special commendation.

TERENCE O'BRIEN.

## EUROPE

34\*. FRANCE IN FERMENT. By Alexander Werth. 1934. (London : Jarrold. 8vo. 309 pp. 12s. 6d.)

'L'AFFAIRE Stavisky' is the leading motif of Mr. Werth's book, but it is far more than an account of the scandal and its immediate consequences. He has given us a picture of the actual working of French politics, at a particularly difficult moment, which could hardly be bettered. Not the anatomy of the political structure but the living organism is what he shows. And, though the crisis necessarily displayed the more pathological aspects of French political life, Mr. Werth does not fail to show the corrective forces which are also at work.

The permanent difficulties of parliamentary government in the French Chamber with its numerous groups are well known, but despite many crises it has survived for over sixty years. It was not only this difficulty of governmental instability which made the crisis of 1933-1934 so serious, though the fall of the Daladier government on October 24th and the farce of the three-week Sarraut ministry which followed "marked the first stage in the rapid decline of government authority in France." The finances of the country were unstable, trade was bad, and the pressure of Hitlerite foreign policy combined with the aloofness of England created a widespread feeling of nervousness amongst the public. Moreover, as always when a Radical-Socialist government holds office in France, with the tolerance of the Socialists, the Right waited eagerly for any chance to attack. At the moment when Daudet and Maurras, on January 2nd, 1934, began their direct onslaught, general discontent was already considerable and their publication of the letters of Dalimier (Labour Minister in the Herriot government of 1932) recommending Stavisky's fraudulent Bayonne bonds "shook the authority of the Government, not only in the eyes of the Royalists . . . but in the eyes of the whole country." How the death of Stavisky added to suspicion; how M. Daladier's obstinacy and weakness combined gave the impression of governmental reluctance to examine the affair drastically; how the quarrel with M. Chiappe added to the flames and led to the disastrous riots of February 6th, and what was the character of the rioters and the methods of the police, Mr. Werth describes with great vividness.

But it is, perhaps, to Mr. Werth's discussion of the anti-parliamentary forces that threaten the Republican system that English readers will turn with most interest, for here he seeks to answer the question "What of the future?" The *Croix de Feu*, *Camelots du Roi*, *Jeunesses Patriotes*, *Solidarité Française*, by their very existence and growing numbers, show the widespread dissatisfaction of Frenchmen with their government. They are far from having any common or co-ordinated plan, and they are faced now with the Socialist-Communist alliance and M. Bergery's *Front Commun*. Is France to go the way of Italy and Germany and, from the open strife of disciplined factions, to pass into the hands of a strong man armed? It is the question with which every democratic representative system is faced where the forces of capital and labour are at grips. Mr. Werth does not attempt prophecy and his conclusion is caution itself :—

"If, after the fall of the Doumergue government, there is no coherent and energetic government to replace it, then France may be faced with the gravest political crisis in her recent history. There is a growing feeling that the Radicals and the other truly democratic forces must pull themselves together."

The Doumergue government has gone and M. Flandin has already held office for a longer time than the average French Premier. But all observers remain doubtful about the future developments of French politics. For an understanding of the forces at work Mr. Werth's book is indispensable.

E. J. PASSANT.

35. LE MOUVEMENT DE CONCENTRATION DANS LA SIDÉRURGIE LORRAINE. By Raoul Du Fou. 1934. (Paris: Berger-Levrault. 8vo. vi + 156 pp. 18 *frs.*)

In this important work the author studies the development of the iron and steel industry in the east of France, and the movement towards the concentration of undertakings. In his introduction he defines concentration and how it operates in Lorraine, stressing the fact that the policy of integration has considerably increased the stability of the works. Formerly the object of this policy was merely the production and absorption of iron and steel. But to-day, besides the blast furnaces and the electric furnaces where smelting is carried on, there is also a considerable number of machines: Thomas steel converters, Martin furnaces, crucible furnaces, electric furnaces, rolling-mills, workshops of all kinds, centres of driving power, etc. As a result of integration from top to bottom, mines have been annexed, also quarries, and factory workshops for mechanical and electrical construction, and as the outcome of collateral integration the subsidiary workshops have also been brought in. Finally, a policy of collaboration has emerged, linking up the various undertakings with a view to their common economic interests.

In the first part of the book the author studies the problem of raw materials. He indicates the extent and the richness of the Lorraine mineral deposits, and the fact that fresh deposit is still being discovered. He shows how little by little integration is being realised in the iron mines. The question of fuel is as important as the question of minerals. Fortunately, while Lorraine possesses the chief deposit of iron in Europe, there exist near at hand deposits of coal in Lorraine and in the Saar which have facilitated the expansion of the industry. But the coal production needs developing, and researches have resulted in the discovery of new strata some of which will certainly be exploited soon. Side by side with the development of the iron and steel industry, coking plant is also being set up to an increasing extent.

In Chapter 3 the author studies secondary raw materials and societies for mineralogical research.

In Part II he deals with the organisation of production, the transition from the blast furnace to the ironworks. He traces the development of integration when part of Lorraine was still German, and describes how this integration has become intensified since the War, now that the whole Lorraine iron and steel industry is situated in French territory.

M. Du Fou then deals with the extension of the field of activity of iron and steel undertakings: the utilisation of cinders, of blast furnaces, of basic slag, of by-products of coke, and of electric power. He lays stress on the increasing inter-connection between the various iron and steel undertakings, and studies the links of interest between the Lorraine societies, the relations between the iron and steel concerns of Lorraine and those of the other regions of France, and the interest of Lorraine in the iron and steel concerns of Luxembourg and the Saar.

In his third part he describes the commercial organisation of the

concerns, their commercial facilities and the functioning of commercial societies, and the connection with the transforming industries. Internal co-operation is an important element in commercial organisation. "Comptoirs" have been in existence for some time. The most powerful is a positive "omnium of comptoirs," the *Comptoir Siderurgique de la France*, founded after the War. Since then a considerable number of specialised "comptoirs" have come into being.

Above and beyond internal co-operation is international co-operation. The author traces the history of combines since the War, from the International Steel Cartel of 1926 to the reconstitution of this combine and the renewal of the *Comptoirs de Vente* in 1933.

M. Du Fou terminates his very complete and objective account by a description of the industrial groups concerned in the Lorraine iron and steel industry. He approves of the organisation of these groups, and explains how the formation of the groups differs from that of trusts and cartels: the group formation is simpler and more harmonious. The author considers that the integration of the Lorraine metallurgical industry is following a very satisfactory course. Certain groups have been badly hit by the crisis, but the Lorraine metal industry as a whole has been able to put up a resistance, and will be one of the first to benefit by the economic revival.

The book contains a bibliography and tables.

MARCEL KOCH.

- 36\*. THE MEANING OF HITLERISM. By H. Wickham Steed. 1934. (London: Nisbet. 8vo. xxiii + 208 pp. 5s.)
- 37\*. THE NAZI DICTATORSHIP. By Roy Pascal. 1934. (London: Routledge. 8vo. 278 pp. 10s. 6d.)
- 38\*. DIE AUSWÄRTIGE POLITIK DES DRITTEN REICHES. By Max Beer. 1934. (Zürich: Polygraphischer Verlag. 8vo. 171 pp.)
- 39. HEIL! A PICTURE BOOK COMPILED FROM AUTHENTIC MATERIAL. 1934. (London: John Lane. 8vo. xvi + 203 pp. 7s. 6d.)
- 40. THE CHANGING FACE OF GERMANY. By Robert Hastings. 1934. (London: Frederick Muller. 8vo. 192 pp. 3s. 6d.)
- 41\*. THE SECRET OF HITLER'S VICTORY. By Peter and Irma Petroff. 1934. (London: Hogarth Press. 8vo. 128 pp. 3s. 6d.)
- 42\*. AFTER HITLER'S FALL. By Prince Hubertus Loewenstein. 1934. (London: Faber and Faber. 8vo. xxxvi + 281 pp. 7s. 6d.)

MOST of these works reveal from different angles the revolt against Hitlerite Germany. Inevitably they are one-sided and, where hatred lends force to the author's writing, it is not infrequently at the expense of judgment. Yet, at least in the studies of Messrs. Wickham Steed, Roy Pascal and Dr. Max Beer, there is much material worth attention.

Mr. Wickham Steed's book is a pendant to his *Hitler: Whence and Whither?* and is a study in political doctrine rather than event. Based upon a course of lectures given at King's College, its chapters do not form an entirely logical sequence. But it contains an acute analysis of Rosenberg's *Myth of the Twentieth Century* (Nazism as a Faith) and, by way of contrast to Hitler and Hitlerism, a valuable chapter on Masaryk and the State Liberal.

Mr. Pascal's book is a solid contribution to the history of the Nazi movement, together with a reasoned and detailed criticism of its doings since it came into power. Its object is to display Nazi Germany



as the State of Monopoly-Capitalism, and the author's analysis of Nazi legislation in the economic sphere enables him to state a very convincing case. Most effective is his exposition of the way in which the lower middle class, who were largely responsible for bringing Hitlerism to power, have failed to reap any tangible benefits from the régime. The imponderables of national self-respect or pride, which Hitler claims to have evolved in his fellow-countrymen, give him no credit in Mr. Pascal's eyes. But, though strictly partial, this is not a book to miss.

Dr. Beer has constructed an extremely able critical analysis of German foreign policy in the Third Reich. Though, as a sane internationalist, necessarily hostile to the new régime, he writes in a spirit of anxious patriotism quite devoid of querulous denunciation. It would be interesting indeed if a reasoned reply to Dr. Beer's formidable indictment of the policy—or lack of it—which has led to Germany's isolation in Europe were written by a National-Socialist, and the outlook for European peace would be brighter if Dr. Beer's book could be read by the German people.

Of the remaining books, *Heil* presents the leaders of the new Germany as criminals or lunatics—or both—in a series of devastating character sketches. It would be more convincing if it were less bitter and if its sources were more fully revealed. In *The Secret of Hitler's Victory* Peter and Irma Petroff have little that is new to say. They criticise the bureaucratic character of German Social-Democracy and call for a recovery by the workers of their revolutionary élan, whilst retaining belief in the democratic method.

"Hitler has a firm belief that he is right; he actually believes what he says," remarks Mr. Hastings, and in *The Changing Face of Germany* he gives a naïve account of present-day Germany in various aspects. The critical level of his book can best be illustrated by a quotation. Writing of the Universities he says:

"At the present time the number of qualified persons far exceeds the demand, hence it has been considered advisable to pass a regulation limiting the number of entrants in any one year. The graduate may thus be reasonably sure of finding a position on completing his period of academic study."

Of the fate of those not allowed to graduate he says nothing.

Prince Hubertus Loewenstein is of the number of political visionaries and in his optimistically entitled book *After Hitler's Fall* he sets out his dream of a future Fourth Reich. If the dream were based on the processes at work in German life it might have been a valuable inspiration, but its noble romanticism has so little relation to the crude realities that it becomes sadly comic. Yet it is something that Germany should have produced one who, in face of the complete breakdown of his hopes, can still retain faith in a future German Reich of justice, freedom and peace.

E. J. PASSANT.

43\*. DIE GESCHLOSSENE WIRTSCHAFT: Sociologische Grundlegung des Autarkieproblems. By Bernhard Laum. 1933. (Tubingen: J. C. B. Mohr. 8vo. xvi + 503 pp. *Rm.* 17.50.)

44\*. DEUTSCHER SOZIALISMUS. By Werner Sombart. 1934. (Berlin: Buchholz und Weisswange. 8vo. xvi + 347 pp. *Rm.* 4.80; bound, *Rm.* 6.30.)

- 45\*. *DEUTSCHE AGRARPOLITIK AUF GESCHICHTLICHER UND LANDESKUNDLICHER GRUNDLAGE.* By Max Sering, assisted by H. Niehaus and Fr. Schlömer. 1934. (Leipzig: Hans Buske. 8vo. v + 194 pp. *Rm.* 6.)
- 46\*. *NOTWENDIGKEITEN DER DEUTSCHEN AUSSENWIRTSCHAFT.* By Hjalmar Schacht. 1934. (Berlin: Druckerei der Reichsbank. 8vo. 22 pp.)
47. *KAMPF DURCH EXPORT FÜR DIE ROHSTOFFBESCHAFFUNG.* Herausgegeben von den Wirtschaftsbehörden der Senate Hamburg und Bremen. (15 pp.)

THE books here under review afford, in the order given above, a good general survey of the fundamental importance of a movement towards economic self-sufficiency and its practical manifestations, and might well be grouped under the general heading of "Utopia and Reality in German Autarchism." In taking the word "Utopia" as the metaphysical point of departure, I am not using that word in any depreciatory or critical sense. By "Utopia" I understand a highly necessary ideal model, which gives the sense of direction to any movement which has as its object the building up of a reality, and which hopes to become something more than a mere mundane "muddling through" or a pure system of tactical "making the best of things." All these books are based upon the political outlook prevailing in Germany at the present time, but they are not "autarchial" in a polemically political sense. They claim to be comprehensible to everyone to whom the methods of scientific thought are not alien.

Bernhard Laum, who in 1924 published a famous essay called *Heiliges Geld, Eine Untersuchung über den sakralen Ursprung des Geldes*, in the present work makes an attempt on a large scale to contrast the ideology of the free-trade theory with that of protection. The main tendency of the book is indicated by the first section, dealing with "the psychological motives for the delimitation and shutting-off of social groups." The idea of the superstitious and religious significance of the "need for cutting oneself off from other people" is here developed, as it may be observed in the different ethnological categories (*cf.* Lévy-Bruhl's account of the "mentalité primitive"), and this idea is supported by extensive examples drawn from general folk-lore and from the *Handbuch des Deutschen Aberglaubens*. A second section deals with the methods of shutting oneself off, and shows how they are less easily observable in States than in the more primitive life of tribes. A third section traces the development of the autarchial idea from its origins in ancient political theory, from Plato to St. Thomas Aquinas, and mentions present-day France as being the modern State approaching most nearly to this ideal. The concluding section deals with the economic crisis of the present day under such titles as "Exaggerated Rationalism," "Specialisation pushed too far," and "Uncontrolled Decentralisation." It leads to the conclusion that the National-Socialist revolution, in its ultimate aims, is trying to effect a return to measure, moderation, organic entirety, control of technical powers through conscious organisation, corresponding more or less to the programme that found expression in the papal encyclicals "*Rerum novarum*" (1891) and "*Quadragesimo anno*" (1931).

This book does not aim at setting up an ideal of "return to the primitive"—it would not indeed be a suitable medium for such an attempt. For at no time has primitive man allowed himself to be reassured in his attitude towards life by extensive scientific researches

into his own primitiveness. Neither is it a topical account of the opening and closing of economic and political frontiers. Its mental level is such that it affords no point of attack to the fanatical upholder of unlimited free trade, while at the same time putting no useful weapon into the hand of the fanatical protectionist. It belongs much more nearly to the great trend of European conservative thinking which numbers many representatives in Great Britain, from Burke, Cobbett, Carlyle, Ruskin and William Morris down to Dean Inge. To the elements for which these names stand must, however, be added the newly-revived consciousness of magical interconnections, and—last but not least—of the fear of life, with which the Dane Kierkegaard has enriched the mental outlook of the modern European, and which, in the philosophy of the middle class, still retains its very specific importance.

If Laum's work, written from a fundamentally Catholic standpoint, deals with metaphysical realities, Werner Sombart's *Deutscher Sozialismus* goes straight to the root of what is the task of politics. But Sombart, although in the course of his full and active mental experience he has had to do with all the socialist and conservative ideas of his time, and up to the middle years of his life allowed himself to be strongly drawn to Marxist and Trades Union Socialism, nevertheless preserves the sense of detachment fitting to a scholar :

"The task [he says] which I have set myself in this book—that of giving a coherent survey of the different social problems of the day as viewed from a National-Socialist standpoint—is one that can only be carried out at a certain distance from every-day politics . . . It has been my aim not only to pull to pieces all catchwords, but also to carry all theoretical and practical expressions of opinion back to their uttermost and deepest meaning."

Sombart's interpretation of events is also in the tradition of revolutionary conservatism, a tradition which includes, besides the English names already mentioned, such Germans as Justus Möser, Adam Müller, Paul de Lagarde and Ferdinand Tönnies. Sombart's critical estimate of the times, which links on to his own previous work, and which has been much influenced in these stages by Max Weber's analysis of rationalism and by Georg Simmel's *Philosophie des Geldes*, is—like Laum—in disagreement with the preponderance of narrow-minded mechanistic thinking, and confronts it with the ideal of organic entirety.

He further disagrees with the racial theories officially formulated in the German laws, and even entertains strong suspicions of a practical and religious nature with regard to the over-emphasis laid on eugenics ("Do we, for instance, know what is the mission of the idiot on earth? Formerly the village idiot used to be looked upon as a sort of saint"—p. 199). He approves, however, the economic and political segregation of the Jews. He is, incidentally, himself the author of a book not wholly free from romantic theorising, on "The Jews in Economic Life," and he does not shirk this problem. He lays down the principle of a specifically Jewish mentality, but expressly says that it is in no way necessarily an essential concomitant of being a Jew, and that, in fact, there are Jews who may be completely free from it, and in the Germanised descendants of mixed marriages it is often entirely absent (pp. 193 ff.). By this "mentality" he apparently means a kind of rationalistic over-intellectualisation which has cut itself off entirely from the roots of instinct. Even if we agree to this rather daring terminology, two questions still remain unanswered. First, no attempt is made to

explain why this over-development of the intellect has only occurred in the case of a certain number of *German Jews*, and not among Jews of other countries: what strange powers have combined to bring this about? Secondly, if a sociological nomenclature must be evolved which will also include persons of non-Jewish blood, would not rather more "Autarchy" in the formulation of the idea have been humaner, at a moment so tragic in the history of the Jews? Could an author of Sombart's terminological ingenuity find no other way of describing this type of "déraciné"?

Sombart, too, despite the fact that his thinking is ranged round a corporative ideal, does not draw the conclusion that the State—in Fichte's sense—should be economically closed and that all external relations should be an affair of State monopoly and the whole internal consumption systematically regulated according to amount and kind. His economic goal is not a planned economy after the manner of Lenin, built upon calculation and control, but rather something that we would designate as "guided economy," in which considerable spheres of freedom would remain, whose limits should be set down by the State—an ideal, by the way, which has much resemblance with those of the present younger school of English conservatism. Sombart quotes with approval, as an example of the way in which he envisages this "guided economy," J. M. Keynes' proposals for counterbalancing the economic fluctuation by aiming at a constant figure for the total volume of investments by means of a series of systematic incursions into the money market and the transfer of commodities.

The index of Sombart's book closes with the word "*Zivilisations-schutt*." His book constitutes a challenge to this "downfall of civilization," and to economic, biological and technical materialism. It is the book of a gallant knight who in the course of a lifelong search for truth has never known the fear of running into errors. The words with which it closes are taken from a letter from an anonymous colonist: "We must literally dig ourselves into our German soil if we want to hold our own in the tumult of the world."

The book of Sering and his collaborators gives what is in many ways a startling picture of the practical aspects of this "digging oneself in." The account, written for the International Conference of Agricultural Economists held at Bad Eilsen in August 1934, goes far beyond the limits of a pamphlet intended for a particular occasion. It may almost be said to be the political testament of the doyen of agrarian research, depicting as it does in broad outline the historical origins of agrarian institutions and sketching with wise admonition the limits to be set to voluntary interference.

In relation to the immediate problems of agrarian policy in England it is particularly interesting to observe that the de-commercialisation of German agriculture, its detachment from the fluctuations of the world market and of internal movements of property, was in all essential particulars practically accomplished before the beginning of the National-Socialist regime. The tariff developments are sufficiently well known; their antiquated technique proved inadequate in the face of the damage done by the War, the inflation and the world crisis. The most important step was the raising of agricultural property out of the capitalistic tangle, the development of a *legal* protectionism in contrast to which *economic* protection took on the pallor of a liberal emergency measure.

Emergency decrees for the protection of the eastern agricultural districts of Germany were passed in the summer of 1930 and were repeatedly expanded by further laws until they covered the whole Reich and practically every agricultural undertaking. With these decrees may be said to have begun not only the revolution of German agriculture, but also, if one takes into consideration the connection between the *Osthilfe* and Brüning's political fate, the German Revolution itself. The National Socialists needed to make no radical additions to the property enactments of these laws, nor to the provisions for lowering of mortgage interest contained in Brüning's emergency decree of December 8th, 1931. Moreover, the laws regulating the markets for corn, eggs, butter and fodder (that of the middle of 1929, providing for the compulsory consumption of home-grown wheat, that of the end of 1929 raising the tariff on barley, fodder, etc.) have actually done more towards the dislocation of German foreign trade than all the measures passed by the Government since 1933. If, in accordance with a common misunderstanding, we interpret "Autarchy" as the limitation of imports and exports, possibly even combined with undesirable and harmful disturbances of the economic balance, then it may be said that in those years more was done to bring about a relative cutting-off of Germany, by means of a policy of agricultural protection which may have been right in itself but which was at any rate grossly over-precipitate in application, than theoretical "Autarchy"-propaganda, either inside or outside the German frontiers, could ever have effected. Sering's account does not neglect to give warnings that complete self-sufficiency cannot be the ultimate aim of German economic policy. Germany is not large enough to undertake an agricultural revival, a mass-redistribution of agricultural population, such as would form the basis for an industrial superstructure, making room to free a growing population from the evil of great unemployment. Germany will always be dependent on a considerable export trade, if only because of her own poverty in raw materials (p. 89).

But although a return to the soil may have a limiting and constricting effect on the economic fabric, nevertheless the maintenance of the peasant's existence is the foremost aim of the National-Socialist policy. This idea governed the property inheritance law of September 29th, 1933 (*Reichserbhofgesetz*), which was to be the crowning touch, in the eyes of the world, to the protection of the peasant practised under former governments. Sering sees in this law not so much a completion of the law of peasant succession to property, as a break with family constitution and the custom of inheritance which have been handed down for hundreds of years (p. 81). He gives voice to his fears that with so rigid a connection with *one* owner and *one* legal heir, the human and economic relationships between the peasants and their property may take on a new aspect. Similar fears may be entertained with regard to the introduction of the "leader principle" into the life of the corporate and co-operative societies, that German form of organisation which was given a new dignity by Gierke's monumental account on *Deutsches Genossenschaftsrecht*.

The great value of Sering's work lies not so much in its factual contents as in his demonstration of the dangers to which political action is exposed if it cannot find the right time and place for the realisation of an end which it is agreed is in itself advisable.

"Autarchy" can be combined with the furthering of export trade, with world navigation, and with plans for colonisation, it is interesting to note the view of Dr. Hjalmar Schacht, expressed in his speech at the Press meeting during the Leipzig autumn fair (August 26th, 1934). His subject was the needs of German foreign trade, and in his speech he makes it perfectly clear, to those who look upon national economy as a separable water-tight compartment, that Germany does not want to denounce the profitable exchange of goods and resources with the rest of the world. The present-day forms of exchange, compensation and barter, appear not only to be restrictions conditioned by time, but also precursors of new possibilities of international traffic which, if they are to be used to the full, make demands on the imagination and the pioneering capabilities of the merchant (p. 21). Schacht even goes so far as to say that the exaggerated protectionism of the German creditors is driving Germany by compulsion into so-called Autarchism. No clearer denial of a German wish to shut herself off from the markets of the world seems to be thinkable.

Lastly, we may mention a very ably written pamphlet circulated by the Senates of the two old Hanseatic towns, Hamburg and Bremen, the title of which : *Kämpft durch Export für die Rohstoffbeschaffung*, speaks for itself.

Reviewing our survey from Utopia to reality we come to the conclusion that "autarchism" for Germany has only the significance of what Kant has called a "regulative idea," the actual contents of which must not be taken from street catchwords, but from the words and deeds of those few who are shouldering the political responsibilities of the country.

JOAN HORNER.

- 48\*. DIE VOLKSABSTIMMUNG IM SAARGEBIET. By Viktor Bruns. [*Schriften der Akademie für Deutsches Recht. Gruppe Völkerrecht.*] 1934. (Berlin : Carl Heymann's Verlag. 8vo. 183 pp. Rm. 4.80.)

THE author is a Professor of the Faculty of Law of Berlin University. He goes at some length into the controversy at Versailles between President Wilson and Clemenceau on the subject of the Saar, and how the result incorporated in the Saar Statute was finally arrived at. It was, of course, a compromise between two diametrically opposite points of view, and Doctor Bruns finds no difficulty in exposing its weak points. He then goes into the duties of the League in connection with the plebiscite, examining in detail each paragraph of Chapter 3 of the Saar Annex to the Peace Treaty. He prints in the form of appendices no less than 26 documents collected from various sources and all bearing on the Saar Statute, its origin and compilation.

The book is written with the minimum of bias. It would be impossible to ask more than that of a German jurist writing within a few weeks before last January's plebiscite, on the legal aspects of the Saar Statute and the duties of the League Council under Chapter 3 of that instrument.

B. T. REYNOLDS.

- 49\*. LES MINORITÉS DANS LE TERRITOIRE DE LA SARRE. By M. Vichniac. 1934. (Paris : Pedone. 8vo. 12 pp. 8 frs.)

The author (writing last year) argues by reasoning which is subtle, that the League Council would be justified in imposing a Minorities Treaty on Germany in respect of the Saar, if the Council returned that district to Germany after the plebiscite. This should, in his opinion,

take the form of a statute of autonomy, with a League Commissioner, and besides the ordinary clauses of the Minority Treaties, some provisions adapted from the Upper Silesian Convention for facilitating their enforcement.  
C. A. M.

- 50\*. *WIRTSCHAFTSKUNDE DES SAARGEBIETES*. By Dr. W. Cartellieri. 3rd Edition. 1934. (Saarlouis: Hausen Verlagsgesellschaft. 8vo. 79 pp.)

Economic information on the Saar territories which, though well supplied with figures, tables, graphs, etc., is not entirely objective

51. *THE LAST KING: DON ALFONSO XIII OF SPAIN*. By Warre Bradley Wells. 1934. (London: Frederick Muller. 8vo. 307 pp. 7s. 6d.)

As the title of this biography indicates, the author regards the revolution of 1931 as the final page in the history of the Bourbons and the régime they represented. But, though he does not conceal his sympathy with the republican cause, he strives to treat his subject with fairness. In his view King Alfonso "cuts, from the historical point of view, a figure pitifully insufficient; and from the human point of view a figure sufficiently pitiful."

In spite of this irritating style, Mr. Wells has managed to produce a vivid and fairly accurate picture of twentieth-century Spain and the events that led to the fall of the monarchy. For this he is largely indebted to M. Henri Béraud, the French journalist, from whose book, *Émeutes en Espagne*, published in 1931, he frequently quotes.

The narrative breaks off with the King's departure from the country; no reference is made to his life in exile or to the monarchist movement in Spain during the last three years.  
J. GUEST.

52. *RETREAT FROM GLORY*. By R. H. Bruce Lockhart. 1934. (London: Putnam. 8vo. 372 pp. 10s. 6d.)

It was inevitable that *Memoirs of a British Agent* should have a sequel; and the present volume continues Mr. Lockhart's adventures from 1918 to 1929. In this later period the author is no longer himself an historical figure (a fact which explains the slightly ironical title). But he spent a large slice of these years in Central Europe, first as Commercial Secretary at the British Legation in Prague, then as representative of the British banking interests which laboured so hard and so expensively to erect a solid institution on the Threadneedle Street model amid the shifting quicksands of Central European finance, and lastly as a journalist. The havoc done by the creation of new frontiers and the spread of economic nationalism; the optimism and extravagance of the post-War years; the helplessness of hard-headed Anglo-Saxons from Lombard or Wall Street when confronted with the frank duplicity of the nondescript commercial gentlemen who thronged the new capitals at this epoch—such are the familiar highlights of Mr. Lockhart's vivid canvas. The last chapter takes us to Germany, and records *inter alia* an important interview with Stresemann in April 1929:

"If you had given me one concession [said the already dying German statesman] I could have carried my people. I could still do it to-day. But you have given nothing, and the trifling concessions which you have made have always come too late. . . . The youth of Germany, which we might have won for peace and for the new Europe, we both have lost. That is my tragedy and your crime."

*Retreat from Glory*, though its matter is necessarily less dramatic than that of its predecessor, is written in the same lively style, and displays the same eagerness on the part of the author to confess his own

shortcomings, which contributed so much to the popularity of the earlier volume.

JOHN HEATH.

53. *EUROPEAN JOURNEY*. By Philip Gibbs. 1934. (London: Heinemann, with Gollancz. 8vo. 451 pp. 8s. 6d.)

SIR PHILIP GIBBS explains the subject and character of his book very exactly in its sub-title: "The narrative of a journey in France, Switzerland, Italy, Austria, Hungary, Germany and the Saar in the spring and summer of 1934, with an authentic record of the ideas, hopes and fears moving in the minds of common folk and expressed in wayside conversation." Here are no diplomatic secrets, no attempt even to give the story of recent events; no interviews with "people of importance." The book is simply a rather discursive account of the author's travels and of innumerable conversations with fellow-travellers, landlords, waiters, customs officials, people met on the road or in a café, etc.

The voice of the common people is seldom recorded in political literature, and yet it is clear that, in the last instance, thereon depend the decisions of the leaders even in the most autocratically ruled countries. Sir Philip's record therefore possesses a real value, and might with profit be read by many who are too apt to identify history with the manœuvring of diplomats. The weakness of the method lies in the difficulty of determining what is in reality the common mind and the common will, when so many different points of view are reproduced verbatim. Sir Philip handles his material very skilfully, but he does not always avoid the insignificant, nor does the ease of his style always keep above the level of triviality. In the main, however, he succeeds in conveying very vividly his impression of a multitude essentially sane, harmless and friendly, but held by circumstance in a grip of nervous tension which in places approaches terror. He sees the chief hope for the future in "the detestation of war among those who remember the last—in all countries"; but he is uncertain of the younger men.

C. A. MACARTNEY.

- 54\*. *FASCISM AT WORK*. By William Elwin. With an introduction by Francesco Nitti. 1934. (London: Martin Hopkinson. 8vo. 320 pp. 10s. 6d.)

IN his introduction Signor Nitti announces that the pseudonym "William Elwin" conceals the identity of an Italian of "competent scholarship and excellent academic qualifications." Signor Nitti's statement must, of course, be accepted, otherwise it might have been imagined that this book had been written by an enemy who was not well acquainted either with the country or its inhabitants. "Italy . . . is a land of bombs and political assassination. . . . Apart from Nazi Germany and Latin America, where machine guns habitually decide parliamentary elections and discussions, Italy has the lowest standard of political morals of any civilised country," are just two of "Dr. Elwin's" general comments in no way referring to Fascism.

Otherwise the work follows the usual plan of all anti-Fascist books; post-War Italy is represented as a country with a few local disturbances and a few hotheads enamoured of Lenin and his principles, and there are all the customary stories of the brutalities of the Fascists who broke into this Eden.

In his later chapters "Dr. Elwin" finds himself involved in certain difficulties. He seems unable to decide whether it was more repre-



hensible of the Pope or Signor Mussolini to end the sixty-year-old quarrel between the Church and the State, so the blame is equally distributed between the two. He incessantly proclaims that there is no freedom of thought or speech in Italy, and yet his criticisms of the Corporate State are largely composed of speeches and writings made and published in that country. His chapter on the syndicates, the corporations and the collective labour contracts is so inaccurate as to be entirely misleading.

MURIEL CURREY.

55\*. SOME ASPECTS OF ADULT EDUCATION IN ITALY. By E. J. Jones, Senior Staff Tutor for University Tutorial Classes, University College of North Wales. 1934. (London : World Association for Adult Education. 8vo. 48 pp. 1s.)

MR. JONES has written an admirable and most interesting book on one of the lesser known sides of modern Italian life. He has wisely realised that it is impossible to assess the value of what is being done to encourage adult education without first of all explaining the foundations on which it has to build, so after a brief summary of the educational system he describes the organisation and aims of the "Opera Nazionale Balilla," the youth organisation. He also includes the "Dopolavoro," the After-Work Association, the excursion trains which are teaching Italians to know their own country, the wireless, the cinema and the Press.

Perhaps the most interesting section is that in which he describes the great Società Umanitaria in Milan.

"Its Pre-Apprenticeship courses are a model of their kind. On enrolment, the student is meticulously examined by competent physicians and psychologists equipped with the most modern scientific apparatus for the detection of mental and physical traits. The parents of the pupil are also subjected to a brief interrogation in order to ascertain the character of the pupil in his home environment, and if his first choice of a vocation is influenced by economic reasons or family traditions."

During the three years that the pupil spends in the school, the first two are devoted to selecting a profession while examinations and a close study by teachers, physicians and psychologists are all directed to discovering his greatest natural talent.

This is a book which should be read not only by educational experts but by all students of modern Italy, for it touches the life of the people on almost every side.

MURIEL CURREY.

56\*. LA QUESTION CYPRIOTE AUX POINTS DE VUE HISTORIQUE ET DE DROIT INTERNATIONAL. Par Michel Dendias. 1934. (Paris : Sirey. 8vo. xxvii + 241 pp.)

THE author, who is dean of the faculty of law at the University of Salonika, is, as a Greek, naturally in favour of the union of Cyprus with Greece; but he endeavours to state his case impartially, and, preferring half a loaf to no bread, advocates for Cyprus Dominion status as a preliminary to union. He recognises the island's prosperity under the Lusignans, of whose "government it had no cause to complain," though they suppressed the Orthodox Archbishopric, whereas the Venetian "administration was almost detestable," and the Turks did nothing except to restore the Archbishopric. He mentions a curious German plan for occupying Cyprus in 1849, but ignores Disraeli's suggestion in *Tancred* and Dr. Temperley's two articles, showing that, in 1878, the British naval and military auth-

critics preferred Astypalaia. He rightly criticises the blunder of the British Government at that time in calculating the tribute on the surplus of revenue over expenditure during the five previous years of Turkish rule, for the Turks spent little and their surplus was therefore large. He praises British administration, and specially mentions Kitchener's survey, and admits that the Moslems, according to the last census 64,238 out of a population of 347,932, are content with British rule and in 1881 protested against union. The Greeks from the first were Unionists, and their aspirations received encouragement from Gladstone in 1879 and 1897, Mr. MacDonald in 1919 and Mr. Lloyd George, who is reported to have told the Greek Minister in London at the Armistice that he "would like to connect his name with Cyprus as Gladstone his with the Ionian Islands" (p. 90)—the precedent usually quoted in favour of union. As the book was apparently written early in 1931, though published in 1934, the author omits M. Venizelos' disclosure on July 6th, 1931, of Mr. Lloyd George's proposal to exchange Cyprus for Argostoli as a naval base (an idea recently revived by Lord Strabolgi), but mentions Mr. Winston Churchill's advocacy of the offer of Cyprus to Greece in 1915 in return for the cession of Kavalla to Bulgaria—a suggestion opposed by Russia. Greece had her chance in that year when Grey offered her Cyprus on condition of immediate Greek help to Serbia; but the Cabinet, presided over by the present President of the Republic, refused the offer, which has never been repeated. By the Anglo-French Convention of 1920, which the author ignores, "the British Government agreed not to open any negotiations for the cession or alienation of Cyprus without the previous consent of the French Government," in confirmation of the Sykes-Picot arrangement. Accordingly, Lord Passfield told the Cypriotes in 1929 that the question of union is definitely "closed," and Mr. Shiels so treated it during his visit to Cyprus in 1930. The author's comment is that "the Cypriotes are decided to employ only legitimate means for the good of their cause," and deprecates violence. But this was written before the insurrection of October 1931, when Government House was burned and the Metropolitans of Kitian and Kyrenia were deported. Had he brought his book up to the date of publication, he would hardly have written that Sir Ronald Storrs "has become the object of the sympathies of the Cypriotes and is among the best administrators whom Cyprus has known and . . . is always loved by the Greeks" (p. 158)! This is a contrast to the Greek articles on "the little tyrant." That the Cypriote Greeks, like the Corfiotes, prefer union with their kindred even if union involve material loss, is natural, and that one day their object will be attained is probable. But the author overlooks three difficulties. Will the Cypriote Church, autocephalous for fifteen centuries, like subordination to the Archbishop of Athens (whose history of *The Church of Cyprus under the Turks* is omitted from the full bibliography)? Will the Cypriotes, now exempt from military service, relish compulsory service, probably on the mainland? Is there not the risk of an Italian occupation, if union takes place while the Italians, whose methods the author compares very unfavourably with the British, still hold the Dodecanese? He does not mention that Queen Charlotte of Cyprus in 1485 ceded the island to the House of Savoy, which has thus inherited the title of King of Cyprus, Jerusalem and Armenia. This last difficulty might be obviated, as has been suggested, by the retention by the British of a naval and aviation base in the island. Thus the Cypriotes would

both have their cake and eat it : the island would be a Greek province, protected by Great Britain from becoming an Italian dependency.

WILLIAM MILLER.

57. LA POLITICA ESTERA. By Umberto Nani. 1934. (Milan. 8vo. 60 pp. 3 *lire*.)

A brief and sermonising rather than informative tract on Mussolini's foreign policy.  
C. J. S. S.

- 58.\* DIE SPRACHEN- UND NATIONALITÄTENVERHÄLTNISSE AN DEN DEUTSCHEN OST-GRENZEN UND IHRE DARSTELLUNG. By Dr. Walter Geisler. 1933. (Gotha : Justus Perthes. 4to. 76 pp., maps. *Rm.* 12.)

DR. GEISLER has undertaken a thorough and much-needed examination of the statistical and cartographical material used by the experts of the Peace Conference in 1919 in determining the German-Polish frontier. The problem was forced on serious students by the plebiscites held in Allenstein and Marienwerder and (to a lesser degree) by the Upper Silesian plebiscite, all of which gave results substantially (in the case of Allenstein overwhelmingly) more favourable to Germany than the statistics could have justified. It was naturally asked whether, if plebiscites had been held in the Corridor and even in parts of Posenania, the Poles would really have secured majorities there.

Two explanations are possible of the discrepancy between statistics and plebiscite results : that votes were not cast on strictly racial lines, and that the statistics were themselves misleading. Dr. Geisler does not exclude the former, but devotes his energies to proving the latter hypothesis. His arguments run on lines already used by German propagandists, but he develops them with a thoroughness which makes this pamphlet a work of real scholarship. His principal points are : (1) that it was misleading to treat as Poles all non-German elements in the disputed territories (*e.g.* the Kashubs); (2) that language is not in itself a conclusive test of national consciousness; (3) that the school statistics, on which Polish propagandists strongly relied, and which unquestionably made a great impression on the Allied experts, were (for a variety of reasons developed here with great ingenuity) an unsatisfactory and misleading guide. Dr. Geisler also criticises from the technical standpoint the cartographical methods employed in the Spett map, which is the basis of all serious ethnographical maps of the region.

The deduction drawn by Dr. Geisler from this frontal attack is, naturally, the sweeping one that "there is no Polish corridor," and that there are no compact Polish majorities across the line of the Vistula and the Netze. It would be impossible, within the limits of a review or without an examination as detailed as his own, to confirm or refute the successive steps of Dr. Geisler's argument. All that is necessary here is to welcome this very able and concise presentment of the German case.

JOHN HEATH.

#### U.S.S.R.

- 59\*. BANKING AND CREDIT IN THE SOVIET UNION. [*School of Slavonic Studies Monographs, Nos. 4 and 5.*] 1935. (London : School of Slavonic Studies. 8vo. 76 pp. 3s.)

OF the innumerable books and pamphlets which are offered to those who would read about the U.S.S.R., there can be few which crowd into such a small space such a wealth of information and

description as this fascinating monograph. It is written with a verbal economy and uncritical objectivity which will make considerable demands on a reader who embarks on the reading of it with no more than a general interest in its subject; but anyone who is seriously interested in the economy of the U.S.S.R. will be full of gratitude to its authors.

In eleven pages the authors present an outline, brief but by no means sketchy, of the nature of the industrial organisation of the U.S.S.R. Thereafter, in 59 pages, we are given a thoroughly detailed, factual account of the whole monetary machine, together with a sufficiently full history of its growth to make us understand how it has come to be what it is.

In essence, banking in the U.S.S.R. is of a nature entirely different from banking in an unplanned capitalist society. In technique the two practices bear no more than a superficial resemblance, and that only over a small part of the activities known as banking.

In a capitalist society the function of the system is :

(a) to undertake the safekeeping of liquid resources of those who, for the moment, have no need of them, and to make due provision for the return of those resources to the depositor when he needs them;

(b) to decide who shall be provided with liquid resources in excess of those at his own disposal to meet temporary needs, and to grant the accommodation decided on.

Under a planned socialist economy, the functions of banking are fundamentally different, at all events in the U.S.S.R. (and it is difficult to see how the logic of the facts would permit any other conclusion).

The part played by the Gosbank is :

(1) to provide a channel through which working capital is put at the disposal of the industrial and economic units of the State, in order that they may carry out the planned tasks assigned to them by Gosplan :

(2) to provide a convenient check on the activities of the economic community. From the allotted plan of any unit can be deduced the proper "current asset" position at any time; and the Gosbank, which is, of course, the sole short-term banker, is in an unrivalled position to watch this;

(3) to provide, through the four long-term investment banks which are its subsidiaries, the fixed capital which, according, once more, to the plan, each economic unit is entitled to employ.

It is in the discharge of the second of these three functions that the Gosbank makes its most characteristic, most difficult, and most important contribution to the economy of the socialist State. It is obvious that it cannot be carried out without a high degree of inelastic control from the centre; but the reader will be impressed by the attempts which clearly have been made to avoid an extreme degree of centralisation; by the frequency with which, in the light of experience, the formal machinery has been modified in the interests of better working; and at once impressed and puzzled by the extent to which, apparently, unauthorised departure from the letter of the regulations is allowed.

GEORGE WANSBROUGH.

60\*. DAS EXPERIMENT DER INDUSTRIEPLANUNG IN DER SOVETUNION. By Robert Schweitzer. 1934. (Berlin: Deutscher Betriebswirte-Verlag. 8vo. 140 pp. *Rm.* 5.)

THIS book is usefully distinguished from most works on the First and Second Five-Year Plans by the fact that it deals not only with the prognostications and achievements of Soviet planned economy, but also with the manner in which it works. Dr. Schweitzer discusses, with the thoroughness characteristic of German scholarship, the theory

and practice of drawing up estimates of production, the degree to which the normal concepts of capitalist economy are applicable to planned economy, the relations between the central planning authority and the individual industries or factories, and the relations between factory managements and workers. A curious specimen is quoted of an agreement for the increase of production drawn up between the directors of a factory and a brigade of shock-workers. This is very much a book for specialists, but will be found by them of great value.

JOHN HEATH.

- 61\*. LAW AND JUSTICE IN SOVIET RUSSIA. By Harold J. Laski. [*Day to Day Pamphlets*, No. 23.] 1935. (London: The Hogarth Press. 8vo. 44 pp. 1s. 6d.)
- 62\*. THE UNIFIED TRANSPORT SYSTEM OF THE U.S.S.R. By K. N. Tverskoi. [*The New Soviet Library*, No. X.] 1935. (London: Gollancz. 8vo. 176 pp. 3s. 6d.)
- 63\*. SCIENCE AND EDUCATION IN THE U.S.S.R. By Professor A. Pinkevich. [*The New Soviet Library*, No. XII.] 1935. (London: Gollancz. 8vo. 176 pp. 3s. 6d.)
64. COLLECTIVIST ECONOMIC PLANNING. Edited, with an introduction, by F. A. Hayek. 1935. (London: Routledge. 8vo. v + 293 pp., bibl. 10s. 6d.)
65. ECONOMIC PLANNING IN SOVIET RUSSIA. By Boris Brutzkus. 1935. (London: Routledge. 8vo. xvii + 234 pp. 10s. 6d.)

THE sinister activities of the G.P.U., and sensational public trials, have had the unfortunate effect of obscuring the extremely significant developments that are taking place in Soviet law and justice, apart from its application to political offences. These developments are described with admirable lucidity in Professor Laski's very interesting little pamphlet, which gives a survey of the judicial system in the U.S.S.R., the training and functions of professional and lay judges, prison administration, and the working of the so-called Comrades' Courts. Professor Laski's analysis emphasises that the Soviet legal system is strong in the very directions in which the English system has shown itself to be weak: in Soviet Russia the law has established vital contacts with every-day life, it is imbued with a strong sense of social responsibility, it is flexible and open to reform, and research is given a place of high importance. Soviet methods may have shorn the processes of the law of their panoply and the traditional dignities with which they are associated in Great Britain; but what has been lost in this direction has been gained many times over in a deeper reality and a constructive contact with life. Advocates of legal and penal reform will find much to interest and hearten them in Professor Laski's valuable little study.

Another of Russia's misfortunes consists in being so frequently presented to the world through the eyes of disgruntled *émigrés*, uncritical socialists, and notoriety-hunting tourists. In the series of descriptive volumes to which Mr. Tverskoi and Professor Pinkevich contribute we turn instead for enlightenment to Soviet experts and officials who are themselves workers in the activities which they describe. The idea is sound in conception, but Mr. Tverskoi's book on Transport does not encourage us to hope that it will be particularly helpful in execution. The volume certainly contains a large amount of interesting material on the development of all forms of transport in Soviet Russia, by rail, road, water and air. There are special

went through all the sufferings of the depressed *bourgeois* class, including imprisonment by the Cheka. The second begins in 1921 when she was appointed curator of the Tolstoy museum and school at Yasnaya Polyana. During the next eight years she fought a stubborn rearguard action to maintain Yasnaya Polyana as an island of Tolstoyism in a Communist sea. The story of the struggle illuminates a little known side of Soviet activity—the so-called “literary front”; and there are some vivid pictures of leading Bolsheviks. The amiable Kalinin exclaimed: “If your father were alive, how happy he would be to see what we have done for the working classes!” Stalin seemed “too polite for a Bolshevik”; and Lunacharsky, being himself suspect of unorthodoxy, delivered a long Communist harangue “in a sonorous voice” at the Tolstoy centenary celebration. The attempt to reconcile Tolstoy and Marx naturally failed; and the Countess Alexandra emigrated to America, where she has since lived.

JOHN HEATH.

68. SECRETS OF SIBERIA. By Pierre Dominique. 1934. (London: Hutchinson. 8vo. 288 pp. 10s. 6d.)

THE French original of which this is a translation was reviewed in the issue of *International Affairs* for January 1934. It is in no sense a profound or important book; but as journalism it is well done, and covers less hackneyed ground than the numerous similar impressions of European Russia. The writer does his best to be impartial. On the whole he is not unsympathetic to the Soviet régime. But he does not conceal the fact that, in Siberia at any rate, distress is widespread and “equality” almost as far off as it was in the days of the Tsars.

JOHN HEATH.

#### NEAR AND MIDDLE EAST

69\*. SHIFTING SANDS. By Major N. N. E. Bray. 1934. (London: Unicorn Press. 8vo. xii + 312 pp. 12s. 6d.)

SIR AUSTEN CHAMBERLAIN, in the brief foreword which he contributes to this book, pays a tribute to the writer but declines to commit himself to his military thesis, namely, that the plan of campaign adopted by Faisal and Lawrence prevented the Arab armies from achieving a success “worthy of their patriotism and in proportion to the lavish expenditure of money and other material assistance they were provided with.” The same prudent reserve is obviously demanded of a civilian reviewer. But the strategic argument must largely be decided by the answer given to a prior question: whether the Arabs were capable of massing their forces to carry out a large-scale operation, or could be utilised only as irregulars. Major Bray, better acquainted with the sedentary Arabs than with the Bedouin, asserts the former; Lawrence, from experience of the Bedouin, maintained and acted on the latter. It must be said that the available evidence supports Lawrence, and Major Bray’s discussion of the campaign and its issues is too slight to prove the contrary, in spite of many shrewd observations.

Apart from this general question, his account of his personal experiences is full of valuable sidelights on Arab history from 1913 to 1918. In Syria, before the War, he was unexpectedly brought into touch with members of one of the Arab secret societies, which had pinned its hopes already upon Ibn Sa’ud. During the War itself he

gives us a good eye-witness account of the capture of al-Wejh, one of the turning-points of the Arab campaign, and some glimpses of Sir Mark Syke's relations with the Cabinet. The book ends with details of his activities as governor of Kerbela, together with some striking reminiscences of Leachman, and a rather cursory history of Ibn Sa'ud. He writes throughout as a warm supporter of the Arabs, with an enthusiastic belief in their future that gives vigour to his pen, though it occasionally slips in transcribing their names. H. A. R. GIBB.

70. *SWORD FOR HIRE*. By Douglas V. Duff. 1934. (London: John Murray. 8vo. xv + 337 pp. 10s. 6d.)

WE do not know who was the Roman soldier who 1900 years ago brought the Roman eagles into the Temple precinct and kindled the flame of national feeling among the Jews. But we know from this book who was the English police officer who tore down the screen at the Western or "Wailing" Wall of a Temple in Jerusalem in 1928 and thus started the agitation of Jewish and Arab feeling which led on to the outbreak of 1929. Mr. Duff was that officer, and he describes that incident, and many others in the history of Palestine during the decade 1922-1932, vividly and picturesquely. It is a biography and a book on Palestine written from an unusual angle, that of a police officer not high in rank but with unusual literary powers and critical sense. The book is described as "The Saga of a Modern Free Companion," and that sub-title indicates the outlook and the braggadocio of the author. He served in the War as a midshipman, entered a monastery for two years, then joined the Black and Tans, and when they were disbanded the British Gendarmerie Force for Palestine. From that he passed after four years to the Palestine Police Force. Wherever he went, he had a nose for adventure and made the most of his opportunities. He went with the British mission to Jeddah which made the treaty with King Ibn Sa'ud: he was in charge of the police in the Holy City on many occasions when there were religious brawls: he saved a Jewish settlement from destruction in the riots of 1929. He does not believe that discretion or reticence is the better part of biography, and he has many hard things to say of his superior officers and of the people of the country. And a hint of warning should be given to the reader who does not know the details of the modern history of Palestine. He often telescopes incidents or varies them to make a story more picturesque. He is, therefore, a better guide for the general than for the particular. But he has large sympathies, a fighting spirit and a fighting pen, and he can tell a good story. His book then is much more interesting than many more accurate and more correct narratives of Palestine. He compensates for inaccuracy about names by a meticulous accuracy about military decorations in the index.

NORMAN BENTWICH.

71. *HISTORY OF PALESTINE DURING THE LAST TWO THOUSAND YEARS*. By J. de Haas. 1934. (New York and London: Macmillan. 8vo. xxvii + 523 pp. 15s.)

MR. DE HAAS, a leading American Zionist, has sought to write the history of Palestine during the last two thousand years; and he has set about his task by culling extracts from the writers of all ages and many countries, and weaving them together skilfully by his own vivid reflections. The result is a lively and picturesque book which does convey the continuity of history in the most historical of countries

and brings to the mind of the reader a consciousness of the imperishable in Palestine. When he leaves his authorities his language, indeed, is apt to be turgid, as when he writes in the introduction :

"Not only Time's sanction has granted holiness to Palestine, but faith has conferred on it the mantle of the sacrosanct. . . . In the literal sense the country, in which divinely-ordained personages lived, whose acts, however simple, are open to esoteric and metaphysical interpretations, has borne the burden of its sanctity."

And he reveals, almost, in inaccuracy. He can scarcely write a page, whether about the ancient, the mediæval or the modern history of Palestine without making some misstatement of name or place, even when he comes to the latest period, of which exact information is most readily available. In the course of one chapter he dates the opening of Herod's Gate in Jerusalem—which is part of the circuit of Sultan Suleiman the Magnificent—at 1875 : he makes Professor Sir George Adam Smith an American, and he places the residence of the High Commissioner of Palestine on Olivet. The book, then, must not be read as an exact historical record of Palestine ; and its statements about persons and places must always be taken with reserve. It is rather as a record of the pageant of civilisation through the little country that it is to be judged and appreciated. And the reader who wishes not to end with a distorted picture will omit the last three chapters which deal with the events of the World War and the post-War conflicts. There the writer ceases to be an historian and becomes a propagandist.

NORMAN BENTWICH.

72\*. **AFGHANISTAN : A BRIEF SURVEY.** By Jamal-ud-Din Ahmad and M. Abdul-Aziz. 1934. (Kabul : Dar-ut-talif. Large 8vo. xx + 160 pp.)

THIS well-printed and profusely illustrated volume has the virtues of a good handbook or official calendar—geography, geology, climatic statistics, carefully selected historical sketch, reigning house, constitution, and administrative services, with appendices ranging down to postal charges and customs services. The authors have done their work well within the limits assigned ; the facts which they give seem to be accurate and, while allowance may be made for a certain optimism, demonstrate the very considerable advance made in the organisation of Afghanistan during recent years.

H. A. R. GIBB.

## INDIA

73\*. **THE PRINCES OF INDIA, WITH A CHAPTER ON NEPAL.** By Sir William Barton, K.C.I.E., C.S.I. 1934. (London : Nisbet. 8vo. xvi + 327 pp. 15s.)

SIR WILLIAM BARTON'S book is very opportune, for the position of the Princes and their attitude towards federation loom largely in the Indian reforms scheme. The author is well equipped as a distinguished political officer who has been British Resident at Hyderabad, Mysore and Baroda. The book is the most readable work yet published on the subject, being excellent in arrangement, style and balanced judgment. As Lord Halifax points out in his introduction, less is known in this country of the Indian States than of any other of the principal elements in the Indian question. This is partly due to the heterogeneity of the States. There are altogether 562 States or groups of territory that are not British India. Of these, 327 may be eliminated



as relatively insignificant. Altogether the Rulers of 108 States have a seat in the Chamber of Princes in their own right, and 127 States send 12 representatives in addition. The States cover about one-third of the surface and contain about one-fourth of the population of India as a whole. They are adjacent to, or surrounded by, the provinces of British India. But from north to south, as the author says, "a distance of nearly 2000 miles, one might travel almost entirely through territory of the Indian Princes without touching British India." Some States have formal treaties; the relations of the others with the British Government are regulated by written engagements or in other ways. Their external relations are controlled by the British Government, but within their boundaries they have internal sovereignty in varying degree. The form of government is, with rare exceptions, autocratic. Sir William Barton deals very skilfully with the main features of the history of the States, the lives of the Rulers and their people, the systems of government, the relations between the Princes and the Paramount Powers, the work of the Political Department, the claims and the criticisms of the Princes, and their position *vis-à-vis* British India. The book is brightened by anecdotes and personal experience, an excellent little map and well-chosen illustrations.

As regards federation, the author recognises the difficulties and wisely refrains from prophecy. He traces some of the causes that possibly influenced the Princes in declaring originally for federation in principle. "His conclusion," to quote Lord Halifax, "is that, if the Princes do finally decide to join the federation, they would be assured, by virtue of their wealth, experience and leadership, of a great position in it and that they would have both the opportunity and the responsibility of bringing to the federation that quality of stability of which they are the chief exponents in political India to-day." It is not possible in a short notice to do justice to this book, but it should certainly be read by all who are interested in Indian constitutional reforms.

HARCOURT BUTLER.

74\*. THE INDIAN STRUGGLE, 1920-1934. By Subhas C. Bose. 1935. (London: Wishart. 8vo. 353 pp. 12s. 6d.)

THIS is an important Left Wing contribution to the recent political history of India written by a man who has himself been a protagonist in the struggle which he describes, in close contact with all the principal parties and their leaders. The author, while still a student at Cambridge, abandoned the Indian Civil Service for a political career and served his apprenticeship in Bengal under "Deshbandhu" C. R. Das, whose premature death removed Mahatma Gandhi's only possible rival in the competition for national leadership. Since then he has frequently been in prison and is now debarred from entry either into India or into Great Britain. His book is debarred from circulation in India. Its importance lies in its revelation of the general attitude and temper of the youth movement, of which Mr. Bose has been a principal leader and organiser. They want to see in India a national government with a status equal to that of other nations and they take no interest in the British controversies for and against the White Paper. Mr. Bose dissociates himself from terrorism and revolutionary crime, but his attitude towards the British Government is one of irreconcilable opposition, with complete scepticism as to the sincerity or disinterestedness of their motives or policies. His hostility is open and avowed but has no element of bitterness and it does not

prevent him from speaking with praise of the good qualities of particular British officials, both high and low, with whom he has come into contact or collision. The same outspoken frankness characterises the whole of his account of the difficult and stormy decade which began with the civil disobedience movement in 1921. There is no attempt to gloss over or conceal internal dissensions or failure of leadership at critical moments. Mr. Bose is essentially the fighting revolutionary for whom the whole art of politics is to do as much harm as possible to your adversary. It is from this standpoint that he passes under review in his brilliantly written book all the leading figures in Indian politics both past and present and finds few, if any, who can satisfy his exacting standard. Mr. C. R. Das is perhaps the solitary exception. Mr. Gandhi is constantly under fire. His retreat in 1922 after Chauri Chaura, his opposition to the Swarajists in 1924, his agreement with Lord Irwin in 1931, his handling of the Round Table Conference and his "surrender" in 1933 are all severely criticised. Unlike C. R. Das, he did not know that "situations favourable for wresting political power from the enemy do not come often, and when they do come they do not last long." On the other hand, there are generous tributes to his "single-hearted devotion, his relentless will and his indefatigable labour." The Indian National Congress of to-day is largely his creation; its constitution is his handiwork; from a talking body he has converted it into a living and fighting organisation. Mr. Bose has little sympathy with the Mahatma's frequent fasts, but he admits that his fast for the Untouchables in 1933 had a permanent and far-reaching effect in rousing the conscience of the Hindu community. Discussing Mr. Gandhi's recent withdrawal from politics, Mr. Bose thinks there is no real parallel between the present situation and that which began ten years ago when Mr. Gandhi left the Swaraj party in undisturbed possession for four years. The Working Committee of the Congress does not now include Mr. Gandhi, but it has been packed with his "blind supporters." "Whether he will be able to retain his political following in the years to come" in the event of the British attitude being as unbending as it is to-day "will depend on his ability to evolve a more radical policy." Young India will not long remain satisfied with a programme set in a framework of "mid-Victorian Parliamentary democracy and traditional capitalist economics." The last two chapters are "The Bengal situation" and a "Glimpse into the future." In the first there is a discussion of the psychology of terrorism and an appeal to the present Governor of Bengal to carry further the effort made by his predecessor to get into direct touch with the revolutionary party. Mr. Bose altogether rejects the theory of "middle-class unemployment" as being the cause of the movement. "If that had been the case, well-to-do people would never have been drawn into it." The last chapter discusses Pandit Jawaharlal Nehru's recent statements that India will have to choose between some form of Fascism and some form of Communism. Both alternatives are rejected and Mr. Bose gives his reasons for thinking that Communism is in many ways repugnant to Indian feelings and tradition.

F. G. PRATT.

75\*. *LIVING INDIA*. By Lady Hartog. 1935. (London: Blackie. 8vo. xi + 200 pp. 3s. 6d.)

THERE are masses of people in Great Britain still who would be floored by the most elementary general knowledge paper on India.

For their benefit the Imperial Studies Committee of the Royal Empire Society has arranged for the publication of a book designed to "bring home to English-speaking people some outline knowledge of the true living India." Lady Hartog has had unique opportunities for observation and study and she has accomplished a very difficult task with conspicuous success. The reader will find in this book not only a pocket encyclopædia of important and interesting information about agriculture, production, population, industry and transport, but also a vivid picture of daily life and habits, social and religious ritual, holidays and recreation, food and dress and family life in India.

The outlines are traced of India's age-long development from the first Maurya unification after the Hellenic intrusions down to the plans taking shape to-day of an All India Federation. The very interesting chapters on agriculture and education are a good introduction to two of the greatest of India's outstanding problems. To a general description of the Indian States is added an account of the leading States in each regional area. Here perhaps it might have been useful to insert the classification of the States as (1) directly represented in the Chamber of Princes (108), (2) indirectly represented (127), and (3) the rank and file left without representation (327). The book is handsomely produced at a low price with many excellent illustrations, maps and diagrams.

F. G. P.

76\*. INDIA'S NEW CONSTITUTION. By Arthur Duncan. 1934. (London: Figurehead Press. 8vo. 80 pp. 1s.)

This is a useful summary of the principal provisions of the White Paper and of the more important points in which its proposals have been altered in the report and recommendations of the Joint Parliamentary Committee. Mr. Duncan defends the proposals and refutes the charges of "abdication" which have been made against their authors.

F. G. P.

## THE FAR EAST AND PACIFIC

77\*. THE AUSTRALIAN EASTERN MISSION, 1934. Report by the Right Hon. J. G. Latham, C.M.G., M.P. 1934. (Canberra: Commonwealth Government Press. Fol. 27 pp.)

LAST year the Australian Commonwealth Government made a new departure in sending a mission of a diplomatic character to visit the countries of the Far East. It was a sign of Australia's concern regarding the course which affairs appeared to be taking in East Asia and the Western Pacific Ocean, and of the Commonwealth Government's resolve to bring Australia, both as a political agent in Pacific affairs and as an important producer, prominently before the other peoples and governments in that area. The Australian Eastern Mission found its leader in the appropriate person of Mr. J. G. Latham, Commonwealth Attorney-General and Minister for External Affairs, who on his return made the present Report to the Parliament and Government at Canberra. The Mission visited the Dutch East Indies, Singapore, French Indo-China, Hong Kong, China, Japan and the Philippine Islands, finding everywhere a cordial welcome and making everywhere a most satisfactory impression.

Considerable time was spent in appropriate inquiry into the market for Australian products, and in studying the manner in which the Australian producer might extend it. But the non-Australian reader will find in the political paragraphs of the Report, and in the political passages of Mr. Latham's speech in Parliament on July 6th, 1934,

matter of greater interest. As preface to it, I would like to take this opportunity of saying that, coming across Mr. Latham's tracks in China and Japan three months later, I found what to him should be most gratifying evidence of his success, not only as an Australian statesman, but also as a spokesman of the whole British Commonwealth. Mr. Latham did a good day's work for Australia everywhere he went, but he also brought home to many, in Japan especially, the intangible factors of strength in our common citizenship which are not always well understood outside the British Empire.

This Report and the speech contain many interesting things, but none more interesting than the account of Mr. Latham's interview with Mr. Hirota, the Japanese Minister for Foreign Affairs. Mr. Latham and Mr. Hirota "agreed that there was no need for diplomatic representation by either country" in the other. In reply to further questions, Mr. Hirota said that, in the matter of the Mandated Islands, "he recognised that Japan was bound, by the terms of the mandate under which it accepted the islands, not to fortify them," and Japan had not done so. And he also agreed that "whether Japan was a member of the League of Nations or not," this obligation was equally binding. Mr. Latham, in conclusion, suggested that it would be "a sound thing" to do if Japan would also recognise the obligation to report annually to the League on the administration of the islands, whether she were a member or not. Mr. Hirota apparently did not answer.

A. F. WHYTE.

- 78\*. JAPAN IN CRISIS. By Harry Emerson Wildes. 1934. (New York and London: Macmillan. 8vo. x + 300 pp. 8s. 6d.)
- 79\*. THE RECONQUEST OF ASIA. By O. D. Rasmussen. 1934. (London: Hamish Hamilton. 8vo. 363 pp. 10s. 6d.)
- 80. THE DRAMA OF THE PACIFIC. By Major R. V. C. Bodley. 1935. (Tokyo: Hokuseido Press; London: Edw. G. Allen & Son. 8vo. xvi + 218 pp. 6s.)
- 81. LE JAPON VA-T-IL FAIRE LA GUERRE? Politique; finances; industrie. By Général de Division G. Becker. 1935. (Paris: Eugène Figuière. 8vo. 123 pp. 8 frs.)

MR. WILDES' book should command wide attention and discussion. It is the first full-grown effort to present Japan as she appears, changed and unchanged, since the outbreak of the "Showa Revolution," three and a half years ago. It is generally recognised that Japan, like Germany, is a country in an abnormal mood, and we hear criticism and abuse of Japanese "militarism," but very little is known or appreciated regarding the strains and stresses which affect Japan, or the mixture of faith, emotion and bravado which makes up the Japanese character. Mr. Wildes, an American, is familiar with this character, and with the history, sociology and atmosphere of the country. His purpose is to investigate the "personality" of Japan in her new phase. The account which he gives is recognisable in an intimate kind of way by one who has known Japan in an earlier period. It bears the stamp of knowledge; and its style may be compared with that of the books which Mr. A. M. Pooley used to write on Japan at the time of the Great War.

Japan, the author explains, is poor beyond all understanding by the West; Japan is "jittery with fear." Poverty and fear were the motives behind the political revolution of 1931-32, which loosed off the guns in Manchuria, brought the yen off the gold standard and

replaced a liberal parliamentary régime by a military dictatorship without any apparent change of political institutions. "The crisis in Manchuria and the May 15th affair (*i.e.* the assassination of Premier Inukai) explain all the political history of Japan during the next two years." The revolution would have developed further in the direction of military fascism in the form of imperial socialism free from parliamentary control, which was the aim of General Araki, the young army officers and certain civilian politicians, had it not been for the decisive influence of one old man of eighty-five. *Unus homo nobis!* Prince Saionji, the last of the Genro, "almost single-handed . . . had kept his country from slipping over into fascism."

Mr. Wildes' chapters on Agrarian Unrest, Student Strife, Examination Crammers, Police Methods, Commercial Corruption ("a rear-admiral, three assembly men and six accomplices convicted of stealing a battleship in order to sell it as scrap steel!"), Degradation of Women, Press Propaganda, Colonial Oppression are all interesting in their way, though they will not commend themselves to the friends of Japan. He concludes from the strained and anxious lines of Japan's "physiognomy" that the destiny of the country is set towards war.

"Japan has no other recourse if she would remain alive. . . . Her position is unstable, her social and her economic life rest on foundations too insecure to give support to the vast framework of her Empire. . . . Japan avoids disaster by diverting the attention of her restless and discontented people into safer interests. . . . A better and more permanently efficient remedy would be to undertake a sweeping reformation that would prevent the evils from occurring, but of this the Japanese have but a hazy thought. Their pride, perhaps their ignorance, prevents a recognition that the nation has been living much beyond its natural resources."

Such is Mr. Wildes' conclusion to his far-reaching and intelligent observations. It is not inevitable or absolute; for there is not only a Japanese madness, but a Japanese sagacity and moderation, and during the last eighty years the Japanese have given ample evidence of domestic and foreign statecraft. The chances against their running amok are greater perhaps than Mr. Wildes gives them credit for. Also there are powers of resistance both in Russia and in China beyond the range of the Japanese drive; and no one knows this better than the wise men of Japan.

THE title of Mr. Rasmussen's book is misleading and inexplicable. The author deals not with Asia as a whole, but with the triangle of China, Japan and Russia, and its offspring, Manchukuo. It is difficult to discover what he means by "Reconquest," unless it is the driving of Western (and American) privilege and influence out of China—a process which, he thinks, is already well on its way. His picture is a disheartening one: the failure of the West to reach any honourable basis of understanding with China in the social or the political sphere; the intervention of Japan, bringing not peace but the sword. This is the theme of Mr. Rasmussen's book, which is a rather loose review of trends in Far Eastern policy during the thirty years of the present century. The author appears to be a resident of Shanghai, and to have had long and close acquaintance with the events which he describes with gusty vigour and reasonable accuracy. But he reacts violently against the ignorant insularity of the Shanghai Club, and also against "the glittering wealth of the huge missionary system."

"Education and religion being what they were, the pioneers of the West merely barged heavily into a nursery of fine arts, thinking, because rags and

tatters hung above the gateway, that it was a water-front pub, its habitués fit only for fisticuffs or redemption."

There is much shrewd criticism, and a good deal of rant. It is not a student's book. It is an individual explosion, not without interest and intelligent observation, readable in manner, but in matter rather lopsided. To understand the Far Eastern problem a steady light is required rather than intermittent fulminations. The author does not understand Japan, her character, her strength or her motives. To him, Japanese policy is "an enormous bluff," which "the West" could call at any time. He repeats the myth that it was British sailors who trained the Japanese guns at Tsushima. He espouses a new myth that it was the cold reception of the Feetham Report which occasioned the Japanese advance in 1931.

"The Report determined Japan upon her course of action. . . . If it had inspired the West to resist abolition (of extraterritoriality) it would not have suited Japan. . . . Had it been adopted she would have had to play second fiddle to the Powers for years to come."

Here Mr. Rasmussen seems to be falling into the very error which he so vigorously denounces: he is judging the Far Eastern question too exclusively from the angle of the International Concession at Shanghai.

The two remaining volumes are of flimsier quality. Major Bodley's book is called a "treatise," but is in fact a "travelogue." It is dedicated to Viscount Rothermere "because of his great understanding of Japanese problems," by an author who does not seem to be fully qualified to offer such a bouquet. Into the middle of a superficial account of international rivalries in the Far East are sandwiched ninety pages of guide-book to the Japanese Mandated Islands, which are informative and entertaining: schoolmasters and missionaries, savages and converts, copra and sugar-cane, sharks and swordfish, culture pearls and stone bullion, mysterious ruins of forgotten cities, "atoll succeeding identical atoll with a few palm trees standing up here and there"; Saipan, Timian, Yap, Truk, Korror, Ponapé, Kusaí, Palao and Jaluit. It is with regret that we leave this phantom world, but Major Bodley feels that it is up to him in his last three chapters to give his views on the likelihood of war in the Far East, and to express his preference for a renewal of the Anglo-Japanese alliance. The book is illustrated with a heterogeneous collection of photographs and a useful map of the Pacific.

General Becker's queer little book takes the form of a series of lecture notes—or is it modern verse?—illustrated with little maps and rather old-fashioned pictures, woven together into a chain of argument, which passes through the political development of the Far Eastern situation, the financial difficulties of Japan, the pressure of population, the industrial and commercial growth to the following unexpected conclusion:

"Japan is, in my eyes, the greatest Power in the world; alongside of our beloved France, rich, whatever people may say, and strongly armed (may she never be disarmed!), distinctly less populous (alas!) and furnished with an unquestionably less powerful fleet; a Power, more strongly equipped, on land at any rate, and (in spite of comparative youth) more completely educated politically than the United States; a Power more socially stable, and economically better adapted than the Soviet Republics or even than Great Britain."

The author does not answer the question asked in his title, but he concludes that, if war breaks out, Japan will win.

P. J.

82\*. POPULATION THEORIES AND THEIR APPLICATION : with special reference to Japan. By E. F. Penrose. 1934. (California : Stanford University Press. 8vo. xiv + 347 pp. \$3.50.)

MUCH good work has been done on population problems in the last fifteen years or so, thanks to men like Professor Bowley or Professor Carr-Saunders in England, and Doctors Dublin and Lotka in the United States. Much, however, especially as concerns details, still remains to be done, both on the biological and on the economic sides. Mr. Penrose's book is a contribution on the economic side. After some years of study, he explains, he arrived at the opinion that progress in the subject is being retarded "as much by the inadequacy of existing theories as by the inadequacy of available facts." He therefore attempts to work out "a satisfactory conceptual scheme." Part I (91 pp.) discusses the Malthusian theory and the theories of the optimum. Part II (71 pp.) makes a general survey of the position in Japan. Part III (169 pp.) discusses the distribution of population and natural resources.

For four or five years now there has been agreement as to the fundamental facts of the Japanese position. Fertility is declining, so that despite the figures for the crude birth-rate the statistical probabilities point to the annual increase dropping abruptly about three decades hence. Dr. Uyeda, the foremost authority, believes that the Japanese population (now about 68 millions) will never reach the 100-million mark, and probably will not get beyond the 80-million mark, though that indeed will be no small addition to accommodate. Further, the available evidence shows that notwithstanding the large additions to the population there has been a steady rise in income per cent. up to the present day—production has grown even faster than population. The farming class as a whole, however, is over-populated, and not only can new additions to that class not be accommodated without a fall in its standard of living, but some of the agriculturists ought now to be transferred to other occupations. That is to say, Japan must become more and more dependent on industry and foreign trade. What are Japan's prospects as an industrial and foreign trading country? The question is pivotal. It is, indeed, *the* Japanese population problem.

It is not possible in the available space to traverse the book in detail, parts of which, like the careful and thorough examination of the economics of the disparity between the distribution of population and the distribution of natural resources, are very good. In general, however, the author seems to have fallen between two stools : as a treatise on Population it is too incomplete and depends almost wholly for illustration on one country, Japan, while as a study of Japan it scarcely gets beyond what for some time has been the established understanding amongst students of the subject. The author lived in Japan for some years (he was on the staff of the Nagoya Commercial College) and he is *au fait* with the subject and apparently could have written the book that students are waiting for—that is to say, what precisely is involved in Japan's necessity to industrialise and to trade abroad. It is correctly pointed out that if Japan cannot export her people, her only course is to export her goods. To prohibit them with tariffs has the same effect as to prohibit the emigration of her people. The world cannot pursue both prohibitions with impunity. We hope Mr. Penrose will go on with his studies and throw the much-needed light on the problem. The question grows more and more

urgent. The exact significance of the recent remarkable flooding of world markets with Japanese goods would make a good starting-point.

Though a point of detail, reference should be made to the author's comments on Australian immigration policy. Though careful not to exaggerate the relief that emigration can give Japan, he concludes that "there is no escape from the conviction that the prohibition of Japanese immigrants into lands controlled by the English-speaking people inflicts economic injury on Japan." There is more to be said for the immigration policy of Australia than Mr. Penrose allows. The real point about Japanese emigration and Australia, after all, is not that it can substantially alleviate the pressure in Japan (it cannot), but that most Japanese think it can. Rather than decry the policy, a better service to the Japanese to-day is to make them familiar with the work of the several Australian investigators, whose impartiality is not to be impugned, into the possibilities of the continent to absorb more population (*vide* Prof. Hancock's *Australia*; articles in *Economic Record*; etc.). Mr. Penrose makes no mention of these investigations. It can be said with some confidence, however, that, if one compares the slight gains that might accrue to Japan with the immense political complications which they would entail, it is not worth while for Japan to seek to change that policy. That, however, is not to say that it might not be worth while for Australia to modify it; indeed, it is easily conceivable that during the next two or three decades Australia might find it expedient to modify it. But the main point remains: what Japan needs, to quote the author himself, is not tropical lands but open markets.

Mr. Penrose rightly concludes on the note that the unlimited exercise of national sovereignty in the world to-day is highly dangerous, and needs a drastic modification in order to bring political institutions into line with the facts of modern economic life. But the irony of the Japanese situation is that Japanese policy in recent years has formed one of the most conspicuous obstacles in the way of founding the new outlook and the new order which the plight of Japan requires. The *coup d'état* by the Kwantung garrison in 1931 and its consequences; the *imperium-in-imperio* status of the army and navy; and the mentality revealed in the treatment accorded to the murderers of Hamaguchi, Inouye, Inukai and Hara, not to mention the promotion to the headship of the police in Manchukuo of Captain Amakasu, who murdered the Radical Osugi and Osugi's wife and seven-year-old nephew; these are instances of the tact and patience that will be required in those countries which must seek to help the Japanese to help themselves.

W. R. CROCKER.

## THE UNITED STATES

83\*. AMERICA'S TRAGEDY. By James Truslow Adams. 1934. (London: Charles Scribner's Sons. 8vo. vi + 415 pp. 12s. 6d.)

THE text for Mr. Adams' latest historical treatise is to be found in the writing of one John Rolfe, whose claims to fame lie in his marriage to Pocahontas and in his announcement that about the last of August 1619 "came in a Dutch man of warre that sold us twenty Negars." And therein lies America's Tragedy, and even tragedies, for many are the dramatic situations and developments revealed during the period of 250 years which this work covers. Prolific indeed were the seeds



sown in the early part of the seventeenth century—"self-government, slavery, religious and social reform and fanaticism, a race-old system of labour, stirrings of new social ideas;" they have borne fruit an hundredfold in hatreds, suffering, loss and estrangement and, to-day, in problems arising from the presence in the United States of twelve millions of an alien race.

It is a readable and instructive book, with approximately one-third devoted to a graphic account of the Civil War, and most of the rest to the incidents which led up to it and to the more than strained feelings which existed then, and still exist just a little bit, between the North and South. But, although the "twenty Negars" and the brethren that were added unto them in vast numbers form a dark background, from which they emerge to make a few dangerously passionate gestures as practically unsolicited freedom is conferred upon them, the centre of the stage is usurped more and more, as the drama proceeds, by quarrelsome whites, arousing an indignation which the author takes little pains to conceal. How scathingly he criticises the Abolitionists!

Mr. Adams leaves no doubt in our minds that his preference in this squabble, resulting eventually in civil war, between geographic sections rather than between parties, lies with the Southerner, who, in spite of his acceptance of slavery, based his way of life on human, as opposed to material, values; and, looking forward, he expresses the fervent hope that,

"in readjusting itself to the life of the nation as a whole, the South may never lose that sense of values which has been its most precious possession, worth infinitely more than slaves or lands or modern mills"

LEGER.

- 84\*. THE COMING AMERICAN REVOLUTION. By George Soule. 1934.  
(London: Routledge. 8vo. x + 314 pp. 10s. 6d.)
85. THE MENACE OF RECOVERY. By William Macdonald. 1934.  
(London: Macmillan. 8vo. ix + 401 pp. 10s.)

THESE two books on the Roosevelt experiments are written by men of widely divergent political outlook. Mr. Soule, a member of the editorial board of the *New Republic* who looks forward to the establishment of a planned economy in the United States, criticises the "New Deal" for not going far enough; Mr. Macdonald, a contributor to the *New York Times* and the *Herald-Tribune*, who seems to pin his faith to the healing influence of private enterprise and competition, condemns it for having gone too far. The two books have only this point in common, that each is impregnated with the social philosophy of its author.

When most of the books already published on the "New Deal" have been relegated to the scrap-heap, Mr. Soule's work will probably be found to have retained its place on the bookshelf. His purpose is far wider than a description of the various schemes of the Roosevelt Administration. He attempts to place the present régime within the general framework of a revolutionary era in American history. The book is divided into four sections, concerned with the Nature of Revolution, Changes beneath the Surface, the Crisis of the 'Thirties and the Coming Revolution. The first section is very largely a popular version of the theory of revolution and contains very little that is new. The last is speculative and suffers from a tendency to over-simplification. The value of the book lies in the two central sections. Mr. Soule first draws attention to the rigidities, internal and external, which have

steadily grown up within a theoretically self-adjusting American system of production, exchange and distribution, although the rapidity of technological improvement has continually demanded a greater rather than a lesser degree of flexibility. The succinct analysis of the background and achievement of the Roosevelt experiments which follows is by far the most penetrating general critique which has yet been published. Even if full allowance is made for the fact that Mr. Soule writes with "radical" sympathies, the judgment is a severe one. "The President never lived up to the implications of the major aims he announced. The programme was not assessed for inconsistencies; no informational machinery was set up for checking in detail whether progress was being made towards the announced aims. Continual improvisation threw off some hopeful experiments, but most of them were not followed through."

This conclusion is supported by a weight of illustrative detail which must command, if not unqualified assent, at least the most careful attention. Too many commentators on both sides of the Atlantic have mistaken political "ballyhoo" for genuine economic and social achievement.

Mr. Macdonald apparently set out with the express design of condemning the Roosevelt Administration and all its works. A fervent believer in the principle of orthodox finance at any price, he exposes with a wealth of quotations the innumerable occasions on which the President and his henchmen have sinned against the light. Mr. Macdonald fails to explain, however, what he would have done in 1933 to prevent a considerable proportion of 14,000,000 unemployed Americans from starving and to restore the drooping morale of the great mass of the population.

S. H. BAILEY.

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